THE Freeman

IDEAS ON LIBERTY

JANUARY 1963

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URBAN RENEWAL

OPPORTUNITY FOR LAND PIRACY?

JOHN C. SPARKS

MANY INSPIRING stories of American heroism came out of our war to win freedom from England. Courage was the badge of the times. The thrilling account of the Boston "Indians'" famed Tea Party that cold December night in 1773 in defiance of the British government is but one of numerous accounts of the bravery of free men fighting against overwhelming odds. For any colonist to declare himself on the side of the American Revolutionists was truly to "cross the Rubicon," for ahead seemed certain defeat and subsequent death or imprisonment for daring to stand in defiance. Yet, enough men recognized that the authoritarian acts of the mother country were ruthlessly trampling the liberties they had come to enjoy and expect in their new land. They resisted any power that would attempt to remove the rights they believed were endowed upon them by God.

It is expected that a few men will always be alert to the danger of government oppression and will discern its characteristics no matter how cleverly disguised. Unfortunately, there also will be a few who, while comprehending the issue, will choose to seek improper power in the government or in special positions of influence involving privilege. In between are the majority, many of whom are unaware of any issue or whose other interests seem more important than the preservation of individual liberty or who fear to differ from majority opinion.

Throughout the colonies – north or south, seacoast or inland mountains – men who loved liberty and hated oppression sprang up to

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Mr. Sparks is a business executive and past president of the Canton, Ohio, Chamber of Commerce. The October 1961 FREEMAN carried his earlier article, "The Urban Renewal Fallacy."

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fight for their principles. The minutemen of the Massachusetts countryside had personally felt the burden of British taxes, the outrage of despotic rule in their colony, and the arrogance of British officials on the streets of Boston. These brave men – among them farmers, merchants, shopkeepers, workers in all trades and occupations – arose to defend their liberties when they were threatened *at home,* in Boston. They did not wait for other colonies or other lands to extend advice from some distant point. They acted themselves!

In the Carolinas a nondescript, half-starved band of freedom-loving men under the leadership of the "swamp fox," Francis Marion, made the war miserable for the British cavalry commander, Tarleton. They felt oppression and reacted to it! Similar heroic events occurred in Virginia, in Pennsylvania, and so on throughout the embryonic nation.

Reaction to Oppression

What does this review of the American Revolution have to do with government urban renewal? It simply points out a rather common human reaction to oppression: when freedom is denied, those losing their freedom and those near enough to the victims to feel the pain and to join in outraged indignation, will be the ones most likely to revolt against the tormentors.[1] Government interference is more upsetting when encountered in one's home community than when examined theoretically with regard to a situation in another part of the country or world.

If *un*limited government is an *un*-American concept, then it should be especially provoking when big government power pushes around one's neighbor or oneself. Excessive taxation should be particularly galling when new spending programs originate in one's own city. Loose spending should be most painful when experienced at firsthand in all of its wastefulness.

We should expect outcries throughout the land against urban renewal, especially from such community thought leaders as those who so eloquently defended against the recent attempt to socialize the medical profession, *or* those who fight a continuing battle against the spread of government-owned electric power, *or* those whose public speeches purport to champion the individual's right to

[1] An eminent political scientist observes that no area in the world today has more appreciation of freedom from oppression than the geographic area adjacent and running parallel to the "iron curtain" boundaries lying next to Russia and her conquered nations.

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earn, save, and spend his own income *without interference from* big government, *or* those who actively support the right of individual choice against enforced membership in labor organizations.

Any Objections?

We should expect angry resistance! But where is it? Why does not urban renewal cause righteous resistance in every city and community in the nation into which its immoral tentacles have spread? Where is the opposition? Where are the advocates of private ownership? Where are the defenders of individual rights? Only an occasional dissenting voice is heard.

This is surprising because it is not difficult to discern that government intervention has a near-perfect record in producing undesirable results — sometimes humorous, sometimes tragic — but always enforcing the unnatural so that the consequences spell *reverse* progress. When an abundance of a farm product threatens to trigger a price decline, the nature of government intervention inevitably is a price support program, thereby encouraging farmers to produce more of the same. The original problem, abundance, is aggravated by increased abundance. Rent control during and following World War II was a form of government intervention intended to assist more persons to rent property at reasonable prices. Instead, people occupied more space than they needed because it was comparatively cheap, and potential landlords did not make additional space available because it was unprofitable to do so at the rental prices allowed. Again, the result was quite contrary to the intention.

These reverse effects are not freaks; they can be anticipated nearly every time. While a few industrial and business leaders may not fully understand the fallacy of government interference in their economic decisions, most are well enough acquainted with its nature to oppose such government actions vehemently. Must one believe that a businessman, sophisticated enough to understand the nonsense in minimum wage laws and unemployment taxes, is so dull as to fail to comprehend the open invitation to chicanery in the government urban renewal scheme?

A Weak Excuse

Perhaps the mixture of civic dreams and civic pride truly blinds the sometimes champion of freedom to the immorality of the position he supports when he participates directly — or indirectly

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through his silence – in bringing federal urban renewal money, control, injustice, and oppression to his community. Those who are generous may allow this possible excuse for the illogical and immoral action taken.

No generosity is warranted, however, toward one who recognizes the immoral premise but nevertheless parrots the worn-out cliché, "We're paying for it, so we might as well get our share." It is as though a man believes himself to be a fighter and flexes his muscles in public as he proclaims loudly how well he will do when he meets the enemy. Finally comes the day and place of the meeting, whereupon he joins the enemy. When government intervention threatens his own community, this vociferous would-be defender of freedom capitulates.

Unseen Consequences

Unfortunately, the people who sincerely want to strengthen their community are drawn almost inevitably to programs that actually undermine and kill the community instead. Redesigns of allegedly fringe business districts are typical. Small merchants, providing unique services or products, are uprooted. Many cannot survive financially during the interim, losing their customers while waiting in limbo. They even may be excluded from the planned new business district because the planner doubts their usefulness in his neat uncluttered scheme. Genuine diversity is thus lost; but business districts require diversity to live. Cities grow only as businesses thrive, not as they expire. Furthermore, in order to raise the local matching funds necessary to comply with the provisions of federal grants, local taxes are increased. This compounds the error, because increased taxation not only fails to attract new business and industry to the community but tends to drive established business away.

Other Reasons Involved

Granted that some are blinded by their civic objectives. Granted that others know better, but rationalize a desire to see their community get its share. Do these two weaknesses effectively eliminate almost all potential leaders of resistance against urban renewal?

Recall that there are men in every community who speak out against a variety of government interferences – against socialized medicine, price and wage controls, government operation in fields pre-empted from private ownership, and other encroachment upon the rights of individuals. Can it be that government interference and oppression, involving funds

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forcibly taken from persons everywhere, are proper and moral and right just in this one area – urban renewal?

Hardly. It does not check with logic. So, let's see what other reasons might be so compelling and so convincing as to remove practically all influential opposition.

Years ago Lord Acton observed that power corrupts and complete power corrupts completely. If power is present to a great degree in any government situation, then one can depend on it that corruption follows.

"Public Use" Redefined

Laws, once designed to protect the individual against seizure of his property for other than strictly limited public use, now have been diluted to the point where public use is almost anything government planners decide it shall be. Constitutional checks and balances have evaporated, with the courts of the land affording virtually no protection for individuals against domination by predators in the legislative bodies of states and municipalities.

Until 1954, the Constitution of the United States prohibited government seizure of private property except for public use, and then, of course, only with just compensation. For years public use was limited to such things as public highways, public schools, and government buildings. In certain cases this right of eminent domain was also extended to private owners classed as public utilities, thus allowing power and gas companies to acquire the necessary rights of way to run their lines. Railroads as public carriers were also granted this power in limited circumstances. Consequently, the right of eminent domain was used sparingly and only under conditions well-known to everyone.

Slum Clearance

However, in 1954, the Supreme Court changed the law of the land so that the *elimination of a slum* was interpreted to be a public use, enabling government agencies to seize private property and resell to new private owners if, in the process, a slum is wiped out. Furthermore, the particular piece of property seized need not be "blighted" but may be taken simply because it is part of a total project or program that eliminates a slum. This interpretation enables the professional government planner to remake whole sections of cities; in fact, no property within a city is outside his potential power. If this were not sufficient power, more recent rulings by state courts have extended this interpretation to mean that any property *that may become a slum*

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in the future can now be seized.[2]

There is little doubt that great power has been conferred upon municipalities to seize property in accordance with their plans to eliminate slums or *possible future slums*. This is a blank check.

Yes, the power is there, endorsed by the courts of the land, opening the door wide to those who would plunder in the name of planning for the public good. Have local communities accepted the opportunity to use this power?

Eugene Segal, writing in *The Cleveland Plain Dealer*, December 30, 1961, said, ". . . . the Board of Control . . . . is composed of members of [the mayor's] cabinet, including [the] Urban Renewal Director whose opinion can be expected to dominate in matters relating to urban renewal. So it is likely that while the planning commission and its fine arts advisory committee were obliged to go through the motions, it will be [the Urban Renewal Director] who in effect will make the final choice." The news item related to three competitive plans submitted for development of a certain piece of land in downtown Cleveland. The Fine Arts Advisory Committee to the City Planning Commission was reputedly in overwhelming concurrence as to the superiority of a plan submitted by a Detroit builder. In selecting one of the other plans, the Board of Control explained that the plan of the selectee "was economically more feasible." It was further reported on January 18, 1962, that the attorney for the Detroit developer indicated he would probably bring suit because his client's plan and bid were turned down by the city "although his plan was judged superior . . . . and he bid $100,000 more for the apartment site than other bidders."

Yes, great amounts of power have been placed in the hands of city politicians and professional planners. And power corrupts. Complete power corrupts completely. Webster says that to corrupt is to change from a state of uprightness to a bad state, or to debase. Corrupt means to change from truth to untruth and from honesty to dishonesty.

[2] Judge Van Voorhis in his dissenting opinion in *Canata* v. *City of New York*, indicated that governmental agencies were not satisfied with the power of law to eliminate slums, but had now provided for the elimination of *potential* slums, meaning anything city planners think does not conform to their designs. The judge then pointed out that had public theorists had full sway in the early nineteenth century in America, the country would have invested its substance in the construction of canals "as any intelligent theorist would have seen was the effective way to promote economic development in the United States. Railroads were just around the corner, but their advent was obvious to nobody."

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Temptations to Dishonesty

What are the temptations to dishonesty by those involved in urban renewal? There is little doubt that the most important is the value of the private property to be seized and resold to new owners. Private property anywhere has value and especially in populous centers. The value of certain private property can skyrocket *if one seeking his own benefit has a hand in the compulsory rearrangement of all property in that area.* A plan backed by power may cause a rearrangement of land use so that a new owner, favored by the planners, gains advantages of location and use formerly developed and held by others. The "availability" of taxpayer funds in the federal treasury with which to accomplish the ill deed is a minor temptation in comparison to the attraction provided by such manipulation and transfer of downtown property values.

Imagine a beautiful grassy baseball field, fully equipped, set down in a neighborhood of American boys in the summertime. Would a baseball game ensue? It would. All the ingredients are there.

So are all the ingredients present in the urban renewal scheme – the temptations to tyranny and corruption. The power is indescribably great. For the squeamish, who would not act immorally when the act is illegal, moral principles have been negated through law. Huge property values stand defenseless against seizure. Federal money and personnel cleverly encourage adoption of their programs. The worn cliché, "get our share," becomes the password of the day, but not really to achieve civic advancement – this is not now the subject of our concern. The cliché is but a thin disguise for the fact that one has discarded his purported principles and has seized a once-in-a-lifetime opportunity to plunder fellow citizens and to gain advantages by pushing around his neighbors, all done quite legally and in the name of civic duty.

These are the ingredients. Will there be a ball game? You can bet your boots!

Potential "Deals"

There are so many communities involved in federal urban renewal programs that it is next to impossible to uncover all of the deals that doubtless are being chalked up. If somehow they could be tallied, the well-known scandals of the past involving power government and immoral opportunists would likely be dwarfed by those "ringing the cash register" today in the urban renewal "club" of privileged members. It is a kind

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of local community do-it-yourself bit of tyranny and scandal.

While they may be difficult to uncover, it is not difficult to describe various deals and examples of oppressive acts that can be expected. The purpose of describing these is to alert the reader to take more than one look at the happenings in his own city.

The community newspaper in the past was the recognized crusader against oppressive acts, no matter who committed them – gangs, racketeers, businessmen – any one or more of whom may have illegally combined with immoral government regimes. Concerning the urban renewal fallacy, where is the newspaper crusade? Could silence be golden, literally speaking?

The physical real estate of the newspaper publishing company in your city, quite by coincidence, may be in line for some secondary or even primary benefits as a result of the planner's rearrangement of the city. A look at the master plan in any municipality will likely reveal some interesting arrangement that takes special cognizance of the leading newspaper's physical property. A prerequisite to the planner's success is the support of the newspaper, and its wishes are more than likely to be considered favorably. Furthermore, a newspaper's largest income is from advertising. Downtown merchants are usually heavy advertisers. Urban renewal programs are often centered around the objective to revive downtown.

Rising Values

Another likely area of legal immorality allowing manipulation will be in the local interpretation of the meaning of a slum or a potential slum. This is not a definite concept, and one can expect the determination of what constitutes a blighted area will be quite flexible, to favor any objective in the minds of the members of the "club" operated by the municipality's political head and his planner. Or more clearly stated, the chances are good that nonslum property and nonpotential slum property will be condemned and labeled substandard. As a matter of fact, property beginning to rise in value due to changing economic conditions may be a special plum ripe for picking.

For instance, the Erieview project in Cleveland, Ohio, covers an area that had seen the beginning of increased market values in recent years.[3] Several large modern

[3] The Cleveland Press, March 25, 1960, in a news item written by Bob Siegel: "Nationally known economist-investor Elliott Janeway today predicted Cleveland is on the threshold of a new period of downtown growth. . . . because of its position on the Seaway,

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commercial buildings had been erected in the mid-fifties. Cleveland's new seaport and a new lakefront expressway have also contributed to these growing values, in fact, may have been the chief reasons lending attractiveness to the area for more than the original property owners. When properties are sold to new private owners at one-fifth to one-fourth the price paid by the municipality, this is bound to attract anyone willing to take advantage of immoral laws and supreme court decisions granting the privilege of legalized land piracy.

Bribing the Opposition

It seems reasonable to expect that substantial owners of large areas of condemned property will strenuously object, at least until included in the deal through some satisfactory compensation. Perhaps these former owners will be allowed to repurchase the leveled land from the city without the formality of an open bid. Or perhaps the plan will be altered to enhance other property of these former owners, such as a new arrangement of property use that will funnel shoppers advantageously to either the existing store or the new store of the former owners.

Look at gerrymandering of an urban renewal district as a clue to manipulation to favor some in positions of influence to the disadvantage of others. Is a piece of property omitted from the area by an unusual deviation of the boundary lines? Or, is a piece of desirable real estate included unnaturally by a deviation in boundaries? In either case the decision may have been reached by surreptitious under-the-table deals, sugar-coated with public-relation pledges avowing the decision to be best for the community.

Divulge Plans Piecemeal

Another advantage to manipulators is to divulge the plans piecemeal over a long period of time. This step-by-step revelation weakens those about-to-be-displaced property owners who would enlist the aid of their counterparts in other "planned" areas had the master plan been made public knowledge. Any chance to unite the opposition for defense against push-around tactics becomes slim as a consequence. Such secretive plans may be good tactics for the planner's motives but morality or

its diversified industry, and its big supply of executive and labor talent. . . ." Carrying out his prediction, Janeway's firm constructed on the land referred to a new building for a large national office equipment company. It was occupied in 1960. One year later the City of Cleveland acquired the building for $1,500,000 and will tear it down in 1964 to use that land according to the urban renewal plan.

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good business for the community may be another matter. In New Haven, Connecticut, "the hush-hush plans laid at City Hall called for relocating displaced businesses, but the planners were vague on the crucial details of when and where. Many of the merchants were middle-aged; how could they begin again? In desperation, they sued the city. An embattled jeweler, ordered to vacate a new building, carried his plea all the way to the State Supreme Court. In the end, the planners prevailed and the suits were lost or abandoned."[4] One must ask why "railroading" tactics are used. The answer given undoubtedly will be that such methods are needed to prevent an uncooperative owner from blocking the city's progress. The real answer may be more aptly stated as a strategy to catch probable opposition offguard.

Rigging the Awards

Open invitations to bid to develop pieces of land leveled by urban renewal would seem to protect against favoritism, but not with this power-laden scheme. It is frequently stipulated that bids must include detailed site development suggestions or blueprints for the "betterment of the community." With this intangible measure, one can expect any kind of shenanigan.[5] Is the leveled land sold to the highest bidder? If it is not, then one may well wonder whether the successful bidder's blueprint for development was truly superior or, instead, may have been the means to convey a reward for "cooperation" or in payment for "influence."

Sometimes the price is fixed in advance and the "bidding" is then confined to the judgment of which plan is considered best. In one large city, a company sold a piece of property to the urban renewal agency for several million dollars. Later, at a fixed price of 22 per cent of the original price, the same company was the successful "bidder" to buy back the property among nearly twenty firms submitting architectural designs. A neat profit appears to have been made on the deal. Anticipating that the coincidence might be dif-

[4] Richard J. Whalen. "Planners, Politicians, and People." *Human Events*, June 9, 1962.

[5] James L. Wick. *Human Events*, June 30, 1962: "Urban renewal agencies are exempt from that antiquated requirement [that sales of government property be made to the highest bidder]. They may arbitrarily set the price at which urban renewal land shall be sold; offers of higher sums are disregarded as immaterial, irrelevant, and contemptuous of the dignity of political planning. The winning bidder is chosen by criteria which may be almost anything the planners conclude to be 'in the national interest.'"

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ficult to believe, "the urban renewal agency declared the judges had no knowledge . . . who had entered the winning design."[6]

Since increasing emphasis in federal urban renewal is shifting toward renovation of the central core, it might be fruitful to examine decisions regarding the control by local government agencies of the use of land outside the renewal area. Many urban problems are felt to stem from a migration of people and businesses and their activities from the city to the suburbs. It may be expected, therefore, that cities will attempt to use measures that will penalize the "outsiders" by increasing charges for municipal services beyond the corporation limits, refusing to extend water and sewer lines to proposed new suburban shopping centers, and the like. The growing use of a city income tax that taxes nonresidents who only work in the city at the same rate as those who reside in the city is a related phenomenon. Within a city, but outside of downtown, the same kind of land-use restriction may be applied to would-be builders of private projects that may compete with the urban renewal downtown. This is not theory, but fact, as reported in *The Cleveland Plain Dealer* article of January 19, 1961, by Eugene Segal: "The Federal Housing Administration Office here has stopped the proposed construction of an eight million dollar downtown apartment building [outside Erieview] to discourage competition with dwellings that might be built in the Erieview urban renewal area."

Thus is power wielded; thus is corruption invited. Corruption is an unfailing companion of great arbitrary power. The ingredients are present. The ball game is being played. A new kind of tyranny is in the saddle of municipal government, aided and abetted by Washington bureaucrats, *and* by local civic leaders and stalwart businessmen whose consciences have been drowned out by the one-time chance to get "theirs."

In the Long Run

Justice may reign in the end regardless. The loot seized by land piracy may glitter less once gained, if the observation of Jane Jacobs is pertinent and accurate. In her excellent new book, *The Death and Life of Great American Cities* (Random House, 1961) she reports urban renewal and city planning to date has brought dull, unexciting, and unprofitable results.

No advocate of freedom can in good conscience advocate legal theft and legal manipulation of the private property of others for

[6] *Human Events*, June 30, 1962.

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his own gain. Justification of immorality may be attempted by alluding to the sheer weight of the numbers joining in the government urban renewal scheme. But moral principle is not changed by numbers favoring its banishment.

Where is today's counterpart of the 1776 American who would not countenance the practice of tyranny in his community? Regrettably, he is not in his accustomed role. Perhaps he can be found in Washington with his hand out, or behind the scenes in his home town entering into a legal conspiracy to rearrange the private property of others by coercive means – in the name of civic progress! Or he may be fearful to speak out against what he sees.

Let us hope that free men will not be blind much longer to the immorality of coercive urban planning, and will curb the government power that makes it possible. Freedom needs all its advocates. ◈

IDEAS ON LIBERTY

Earning a Profit

MANY BUSINESSMEN are under the impression that business "has a right to make profits." Nothing could be farther from the truth. The only right which business has in a free enterprise economy is the right to run risks in the *hope* of earning a profit. As long as this freedom remains unabridged, society is giving business all it can ask.

Not only are profits earned by running risks, but many firms seldom achieve them. Ordinary accounting defines profits as revenues in excess of production and selling costs (with due regard to the wearing out of fixed equipment). In reality, however, profits are less than this: If the businessman could have let someone else use the capital and land (paying rent and interest) and hired out his managerial ability (for wages), these alternative uses of his resources must also be deducted. In other words, true profits consist of the pure return on risk-taking, over and above what could have been earned if someone else took the risk.

From *Washington Report*, October 19, 1962
Chamber of Commerce of the United States

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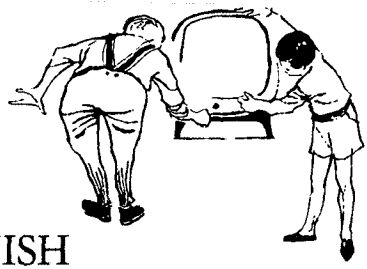


A NEW YEAR'S WISH

or — THE REVIVAL OF PRIVATE INGENUITY

The twinkling stars were lining up
Across the darkened sky
When Kaspar settled in his chair
And thought of custard pie,
While Peterkin and Wilhelmine
Turned on the futurama screen.

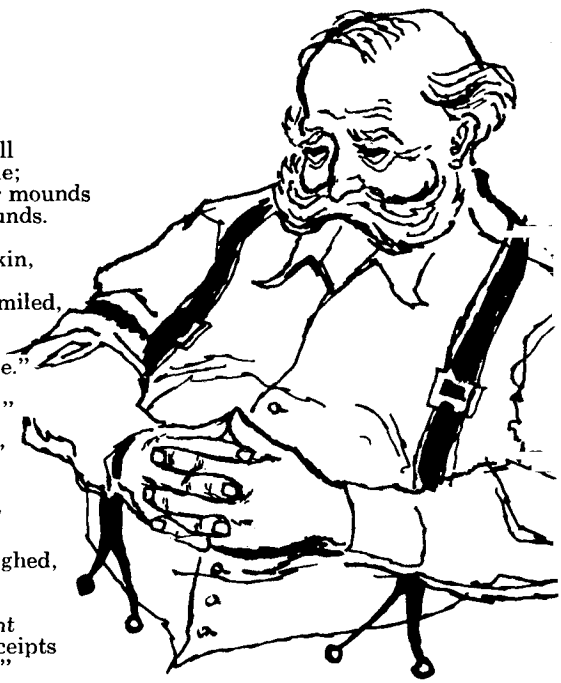
They saw the spread of open fields
Around the soaring dome
That marks the spot on Jenkins Hill
Where Congress made its home;
And watched the golfers stalk their mounds
Beyond the tidy White House grounds.

"The gears are stuck," cried Peterkin,
"It's showing us the past!"
"The screen is working," Kaspar smiled,
"Its gears are made to last.
It shows how Washington will be
When planners go and men are free."

"But Washington was growing big!"
The little children cried.
"It did grow fast for several years,"
Old Kaspar soon replied;
"When thousands came to operate
The swindles of the welfare state."

"There was a time," Old Kaspar sighed,
"When all of us were taught
That cures for every human ill
Were free to those who brought
Their votes and neighbors' cash receipts
To clinics on these famous streets."

"What came about," asked Peterkin,
"To make the city shrink?"
"The boom was ended," Kaspar said,
"When folks began to think
Of better ways to treat their ills
Than poultices of dollar bills."



H. P. B. JENKINS
Economist, Fayetteville, Arkansas

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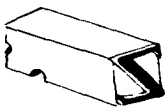
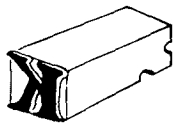


THE PARADOX OF THE MEANS



ANONYMOUS

RECENTLY an incident occurred in the East Sector of Berlin which claimed public attention, an incident involving freedom of the press – or lack thereof. Two individuals working for the newspaper, *Neue Zeit,* were arrested by the Staatssicherheitdienst, a service which protects the security and interests of the state. The reason for the arrest was a printing mistake, a reversal of initials. Unfortunately, in this case the reversal resulted in a rather uncomfortable change of meaning, for Ulbricht, who is first secretary of the Central Committee (ZK), was referred to as the first secretary of the KZ (concentration camp). A slight typographical error – resulting in the arrest of the typesetter and the proofreader.

We may wince at this instance of communist power and its ruthless control over the citizens, but we are in danger of heading toward this same state of affairs ourselves if we continue to believe that it is possible to sacrifice the means for the end.

Many well-intentioned citizens of the United States today, in an effort to combat communist infiltration, are so bent upon purging our country of this alien ideology that they are willing to stoop to any means of stamping out its influence, believing that any action aimed at destroying communism can be justified on the grounds that we are saving America from an inner destruction by subversive forces. Their attention is focused on the end they wish to achieve rather than on the means of achieving it. Unfortunately, however, by adopting a means in direct violation to the concept inherent in the end, that end, rather than moving closer, recedes far-

The author, a resident of West Berlin who is acquainted with both the East and West Sectors, requests anonymity.

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ther into the background and is apt to become completely lost to sight.

The problem of protecting our freedom is indeed a difficult one. Communism has an inevitable appeal and a faithful following, even among intellectuals who are educated sufficiently to be well aware of hidden ramifications involved in achieving their utopian end, ramifications which are not within the mental reach of all adherents to communism. Communists and their ideas will continue to crop up here and there: in student organizations, in newspapers, in art, in the teaching of some college professors. If we want to completely eradicate this subversive element in our society so that it does not contaminate the public mind, then force must be adopted, the very tool the communist himself uses to suppress opposition to his doctrine.

The only agency whose power is extensive enough to do a thorough and effective job of erasing all traces of communism from within our borders is the government. A less complete method would not be successful. It is tempting, then, to turn to government force in hopes of cleansing our society and preserving our freedom. However, those who support this idea fail to see that the logical conclusion is not the preservation but rather the destruction of our freedom, for in sacrificing our freedom we destroy it. The danger lies in the fact that, in giving power to the government, we are placing ourselves in the same helpless position of the citizens in East Berlin. When we give government the power to control and censor with what and whom the public may and may not come into contact, no matter what reason lies behind this action, our freedom has already disappeared, for the government then controls what enters the minds of the people.

If we wish to be brainwashed, to be filled with carefully controlled propaganda, then we should employ the use of government force to wipe the communist doctrine from our country. This is Russia's method, and it is the only one that can make sure that everyone believes the "right" thing; it is the only way to completely eradicate the communist doctrine from America. But when we have adopted this solution, we will have no reason to condemn the communist, for our situation will be in direct parallel, and we shall discover a paradoxical outcome: rather than securing our freedom, we shall have given it up; and at that point the Iron Curtain will no longer have any meaning. ◈

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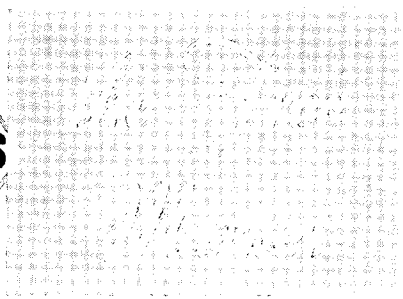
Freedom FOLLOWS



DEAN RUSSELL

MANY of my conservative and libertarian friends are of the strong conviction that we are in danger of losing our freedom to the Russian communists. I do not agree with them, even though I am fully aware of the international communist plot and of the fact that there are many Russian agents in our country. I am convinced that the primary threat to freedom in the United States is not Russian communism but democratic socialism and the erosion of our free market economy – an erosion that has been increasingly accepted, supported, and encouraged by the overwhelming majority of the American people for the past 35 years.

The Russian communists and their American agents have had almost nothing to do with this trend. We, the people ourselves, must bear the full responsibility. Thus, those of us who value freedom would be well advised to use our money and energy to fight the immediate and increasing danger of democratic socialism at home instead of the potential danger of totalitarian socialism from abroad.

Before we can do that, however, we must first understand how freedom in general can be lost even when various specific freedoms are increasing – as is the case in the United States today. For example, you can now write and publish at your own expense anything you wish, and (subject to our reasonable libel laws) the police will protect your freedom to do so. You can speak and worship as you please. And you are free to vote for any person or proposal that appeals to you.

Dr. Russell is a member of the staff of the Foundation for Economic Education and Director of the FEE School of Political Economy.

This article is one of a series now being offered on LP records (33⅓ r.p.m.) further described on page 1 of this issue of THE FREEMAN.

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It is clear to me that freedom is at its high point in the United States today in almost all areas of human activity except one – the free market economy, the voluntary exchange of our goods and services. In that area, freedom has been declining steadily in our country for the past three decades. It is still declining. And it is my firm conviction that therein lies the primary threat to human freedom.

Economic Freedom the Key

My thesis is that the free market economy is the key to all freedoms. In fact, the market and freedom are really synonymous terms. If the market is totally free, each person has complete freedom of speech, press, and religion. But if the market is totally controlled, there is no freedom in those or any other areas.

That statement is a truism. It cannot be otherwise. For example, let us apply that idea to three nations wherein the economies are currently almost totally controlled – Russia, Spain, and Cuba. There is no freedom of action of any kind in any of those nations today. While certain actions by the people do have the appearance of freedom of choice, we must remember that those actions are *permitted* by the governments, and can be rescinded arbitrarily tomorrow. In those unfortunate countries, no person can write what he pleases and send it through the mails without police interference. Nor can persons worship there as they please, or speak, or establish an opposition newspaper or political party. The situation cannot be otherwise when the economy is totally controlled.

But imagine, if you will, what would be the inevitable results if the government could exercise no control of any description over any peaceful economic activity – in short, imagine a market economy in those nations.

Publishers and editors could then be either for controls over the economy or against them. If the market were free, and the editors were in favor of keeping it that way, obviously the government would not interfere with the newspapers' support of what existed and had the support of government. Further, any editor favoring a *controlled* economy would be free to say so – if the market were free. The people in general would doubtless denounce the authors of such proposals but, in a market economy where the presses are privately owned and are not controlled by government, there is nothing more they could do about it. Nor would the government do anything about it or,

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for that matter, even want to. Again this is a truism – and it is always difficult to try to explain and prove the obvious. I can only say again that the press cannot possibly avoid being free in a free market.

Controlled News

Now reverse the situation and imagine that the government owns and operates all the newspapers, or completely controls them; imagine that the market economy has been totally abolished. Obviously, there cannot be a free press under that arrangement. It isn't a case of wanting or not wanting it; the situation presents a physical and intellectual impossibility for a free press.

If the government owns the newspapers, obviously it cannot question its own actions, or advocate the reverse of what it is doing; otherwise, the government wouldn't be doing it in the first place. If the government leaves the presses under nominal private ownership but exercises complete control, the same situation necessarily prevails. Since the officials of government must necessarily make the decisions in a controlled economy, obviously they cannot deliberately make mutually contradictory decisions. They cannot use compulsions in practice and then question the compulsions in print. Such a procedure would be illogical and unthinkable nonsense. Again, it is a truism that there can be no freedom of any description in a totally controlled economy, and there must necessarily be complete freedom in a market economy.

As another example, try to imagine the existence of freedom of religion in a controlled economy. From the comfort of your armchair, you can easily deduce the reception in Russia and Spain today that must necessarily be accorded to the advocates of the religious tenets of, for example, the Latter Day Saints (Mormons). For the most part, those people preach personal responsibility for one's own economic welfare, the private ownership of property, the free market economy, and the responsibility of individuals and of the church (not the government) voluntarily to feed the hungry and clothe the naked.

That religious philosophy cannot possibly be permitted unrestrained expression in any nation with a completely controlled economy. If it were permitted to flourish, that subversive idea could easily lead to the overthrow of government. The public utterance of the free market philosophy could no more be tolerated as a religion than as an editorial policy in a totally controlled economy.

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Nor is it possible even to imagine a religion that in no way takes any interest in the use, ownership, and exchange of property. Thus, there can be no positive and active freedom of any kind (including religion) when the market economy is destroyed.

The same reasoning holds true for speech, vote, and family life, as well as for every other peaceful human activity. Freedom follows the market. All the history I have yet been able to read bears witness to that truism. And I can find no other answer in logic.

Meaningless Legalities

Nor can any constitution or bill of rights permanently stop the inevitable verdict. No legalities concerning freedom of press, speech, and religion have ever been able to stand permanently against the realities of an economy completely controlled by government. Obviously, the judicial branch of government cannot long be permitted to pursue a course in direct opposition to the legislative and administrative branches of government, even in the unlikely event it wanted to. In one way or another, there must necessarily be at least a rough balance of agreement among all branches of government; otherwise, there could be no government.

We should remember that the Soviet Constitution clearly guarantees freedom of press and speech, as do the constitutions of other nations where the market economy has been abolished. In that situation, however, constitutional guarantees are without meaning. It cannot be otherwise. For no totalitarian government can offer its presses and auditoriums to persons who are in total disagreement with government policies.

The evidence in support of this thesis is clear for the totally controlled and the totally free economy. But what about the so-called welfare state or mixed economy, such as that of the United States? Do I have valid grounds for stating that freedom is in peril in our own country? Well, let's examine the situation.

"People" Controls

First, we should never forget that the only thing governments can control is people. For example, governments never control prices, just people. A can of beans doesn't care what its price is. But people care – the people who grow the beans, can the beans, sell the beans, and consume the beans. And that's all that price controls can ever mean – people control. It is another of those truisms that most of us never see, or choose to ignore. The phrase, "price con-

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trol," generally brings a picture of government action to help people. But when we give the process its correct descriptive title, "people control," quite another picture comes to mind. For obviously, when the government controls people, it necessarily deprives them of their freedom.

So there we have it again. Price controls are automatically destructive of the market economy where people buy and sell on mutually acceptable terms. And when this process is abolished, people automatically lose their freedom – to whatever extent the prices are controlled. It cannot be otherwise.

With the possible exception of thinking without acting, all freedoms of all descriptions are finally based on the market economy. Government controls over people almost always involve compulsions and prohibitions against their ownership, use, and exchange of goods and services. Control of the press, speech, and religion necessarily follows the controlled market, because, in one way or another, all of them also directly concern the use of property. If the presses, auditoriums, and church buildings are owned or controlled by government, it is childish to imagine that there can be any freedom of press, speech, and religion. And only an underdeveloped mind could imagine that the presses, auditoriums, and church buildings could be free in the traditional sense when the rest of the economy is controlled.

The Case Against Price Supports

Just as the government cannot control prices, so also is it absurd to imagine that the government can support prices. Without exception, the only thing that government can ever do is to control people – to prevent them from doing what they wish to do, or to compel them to do what they do not wish to do. Thus, it follows that the government's price support program for agricultural products necessarily deprives farmers (and others) of their freedom.

Here is a harsh and little understood fact: Because of price supports, freedom of agriculture in the United States no longer exists. That is, you can no longer grow what you wish to grow on your own land.

I once made that statement to a group of fine people in Illinois. A farmer in the audience became so annoyed with me that he stood up and interrupted my speech. He denounced me roundly. He defended the farmers as the backbone of American freedom. And he dramatically announced that he could grow any amount of anything he pleased on his land – except wheat,

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which happened to be the price-supported product of most concern to him.

I couldn't possibly have planned a more convincing affirmation of my thesis that freedom follows the market, that the government can never support a price but only can control people, that the traditional American freedom of a person to be his own master on his own land is now a thing of the past in the United States. And I said so to that audience.

The incensed farmer then shouted at me, "But we, the people, voted for it! Don't you believe in democracy?"

Thus he offered dramatic support of my position that the communists haven't done this to us, but that we have done it to ourselves. We have used our hard-won franchise as the means to destroy the market economy and thus to vote away our freedom. I explained to my audience that, in my opinion, such a procedure makes it all the worse; that if some tyrant had done this to us, we would eagerly draw straws to determine which of us would have the privilege of shooting him down; that when we democratically vote away our freedoms, they are gone just as surely as if they had been taken from us by conquest.

If you have any doubt that freedom of agriculture is now a thing of the past in the United States, try this experiment: On any land that will grow tobacco, plant a half-acre of it without asking the permission of government. If you do so and persist in your naive belief that a man can grow what he pleases on his own land in this "land of the free," you will be fined and jailed for your antisocial action. Again, freedom follows the market.

They Were Called "Extremists"

A few persons were aware of this direct relationship between the market and freedom when the government first moved into the area of agriculture to help the hard-pressed farmers, and those few protested vigorously. But they were called "extremists," were forced to conform, and were soon forgotten by the vast majority of us who have "never had it so good." But this undeniable truism remains: It is never prices and things but only people who are controlled, and supported, and subsidized, and maximized, and minimized by government. We American people don't even have the excuse of Esau – hunger – for selling our birthright of freedom for the pottage of government paternalism. Apparently, our primary reason for doing it is merely sheer greed for more and more.

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And so it is with tariffs, subsidies, and all other government interferences with freedom of exchange. In every case, peaceful persons are deprived of their freedom to exchange their goods and services on mutually agreeable terms. In every case we are deprived of a bit more of our freedom.

To Join or Not To Join

All of us also have lost our hard-won freedom to join or not join organizations of our own choice. Currently, some 17 million Americans must belong to labor unions, whether the individual member likes it or not. Our government also has made it legal for union leaders to tax us for their alleged services, whether or not we want them. That is, union dues are deducted (like taxes) from our pay checks before we get them.

The fact that you, yourself, may not now belong to a union is purely academic and perhaps merely temporary; the essential principle of no freedom of choice in the matter has now been firmly established and written into the law of the land. It is legally enforced by strikes, threats, and bloodshed against those who are still naive enough to imagine that employers and employees in the United States are still free and responsible persons. Perhaps you will better understand the fearful danger we are in when you contemplate the implications of this fact: Compulsory unionism is broadcast to the world by our State Department's "Voice of America" as the very essence of freedom itself.

Let it be recorded that the card-carrying members of the communist party did not, and could not, do this to us, even though they surely wanted to. It was done primarily by our best people – our ministers, our teachers, our editors, our businessmen, and our most honest legislators. And it was inspired by the best of all reasons – that is, the human desire to help one's fellow man.

Those good people forgot, however, that the only thing any government can ever do, even in its proper function of preserving the peace, is to control people – to compel them to do what they do not wish to do, and to prevent them from doing what they want to do. That procedure is, of course, the proper way to stop murderers and thieves and frauds; for clearly, the police powers of government should be used to prevent those antisocial people from imposing their wishes upon others by violence and misrepresentation. But when the same powers are used against peaceful persons in their

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peaceful activities, freedom is always and undeniably infringed.

For example, every American has lost his freedom to save or to spend his earnings as he pleases. Our government compels all of us to "save" a portion of our wages and salaries – that is, the government deducts a portion and promises to give it back at some later date. This compulsory scheme is called Social Security, and it is generally cited as the essence of true freedom for the people. Perhaps as many as 95 per cent of the American people are now in favor of this loss of personal choice (freedom) and would categorically oppose any suggestion to return to a situation in which each person is responsible for his own welfare in a market economy.[1]

And so it goes – through hundreds and thousands of government prohibitions and compulsions in the peaceful economic affairs of men. Without exception, every one of them is a direct loss of freedom of choice and responsibility.

"It Can't Happen Here"

Again, the only control that any government can exercise is people control. Any attempt by government to control things must necessarily involve the control of people, and that is undeniably a loss of freedom.

Most of the editors in the United States scoff at my fears. "We will always preserve freedom of the press," they say, as they advocate additional government compulsions and prohibitions in the market, including postal subsidies to themselves.

In their sermons, most of our ministers promise us that "our hard-won freedom to worship as we please will never be lost." At the same time, they suggest that the police powers should be used to perform still another charitable service that was once the direct responsibility and pride of our churches.

And invariably, as the legislator demands still another interference in the market place, he thunders this familiar theme: "The people will never lose their right to vote as they please."

And true enough, as I have already stated, those four precious freedoms of press, speech, franchise, and religion appear to be stronger than ever in the United States today, even though freedom itself is in great danger. That seeming contradiction is explained by this fact: We still operate within the framework of a market economy. It still survives in spite of the increasing attacks

[1] See "The Social Security Program" by Paul L. Poirot, *The Freeman*, November 1962.

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upon it. In spite of the fact that government now taxes and spends more than one-third of the combined incomes of all persons, the market processes of competition, pricing, profit and loss still generally prevail. In spite of the fact that government controls over the economic affairs of all of us are steadily increasing, the long-established order of the market still prevails to a large extent.

Must History Repeat Itself?

But somewhere along the line, our essentially free economy must drift into an essentially controlled economy, if the present trend continues. That will be the end of human freedom in the United States, and probably in the world. All other freedoms – press, speech, franchise, religion – must necessarily disappear with the loss of the free economy. For the fact remains: In a totally controlled economy, it is not the economy but the people who are totally controlled.

The empirical proof of that truism is so obvious that one can only be astounded that so few of us see it. Examine anywhere at any time the degree of freedom that has existed in highly controlled economies versus less controlled economies over a significant period of time. Always the answer is the same: Where the economy is freest, there also is the highest degree of freedom of press, speech, and religion.

Even a comparison of slave economies will bear witness to the validity of this thesis. For example, it is true that slavery was still practiced during the Golden Age of ancient Athens. But that evil institution was preserved in an otherwise generally free economy wherein even many of the slaves themselves could earn wages, own property, and buy their freedom. In that city-state, the economy was far less controlled than were the economies in the neighboring states which also endorsed the practice of slavery. "The essential characteristic of landed [and other] property was that it was private and individual. The restrictions placed in some cities and at various times on the full exercise of the right of ownership did not alter this essential character."[2] Thus the citizens of Athens were far more free than their neighbors to develop a society that was rich in both culture and material progress. And it is my contention that the decline and fall of that culture and economy were largely foretold when the free citizens themselves forgot their original philosophy of a

[2] Jules Francois Toutain, *The Economic Life of the Ancient World* (New York: Barnes & Noble, Inc., 1951), p. 109.

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strictly limited government and began to vote for more controls over the peaceful activities of the people.

And the fact that, in the United States today, it is we ourselves who are voting to restrict and to destroy the market economy is entirely outside of the issue here being discussed. Freedom stands or falls with the market, regardless of the mechanism used to maintain or to destroy it.

Mr. Khrushchev has stated that Russian communism will bury us. That threat is arrant nonsense, and I suspect that Mr. Khrushchev knows it. But he also made another statement that is far more significant. He promised that our grandchildren will live under socialism. That could easily come true – not because of Russian rockets but, as Mr. Khrushchev also predicted, because we American people will eventually *choose* socialism over the market economy.

I am an optimist, however, and I predict that Mr. Khrushchev's prediction will not come true. For most fortunately for us and our grandchildren, this final fact remains: We are the direct heirs of the long tradition of Anglo-American common law and the vital idea that every individual has rights above and beyond the majority decisions of the group. That principle will die hard among a people who have lived with it (and died for it) for so many hundreds of years.

Fortunately, our economy is still more free than controlled, and thus we still have the precious freedoms of press, speech, religion, and franchise. There is still time to use them to advocate and to vote for a return to a completely free market economy. Admittedly, it will be a difficult process at this late date, but we can do it if enough of us understand it and want it.

The fundamental and vital choice is "people control" or the market economy. We cannot have it both ways. The decision rests with you, as it should. ◈

Constitutional Liberty

DANIEL WEBSTER

THE FIRST OBJECT of a free people is the preservation of their liberty; and liberty is only to be preserved by maintaining constitutional restraints and just divisions of political power. Nothing is more deceptive or more dangerous than the pretence of a desire to simplify government. The sim-

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plest governments are despotism; the next simplest, limited monarchies; but all republics, all governments of law, must impose numerous limitations and qualifications of authority and give many positive and many qualified rights. In other words, they must be subject to rule and regulation. This is the very essence of free political institutions.

The spirit of liberty is, indeed, a bold and fearless spirit; but it is also a sharp-sighted spirit; it is a cautious, sagacious, discriminating, far-seeing intelligence; it is jealous of encroachment, jealous of power, jealous of man. It demands checks; it seeks for guards; it insists on securities; it intrenches itself behind strong defences, and fortifies itself with all possible care against the assaults of ambition and passion. It does not trust the amiable weaknesses of human nature, and therefore it will not permit power to overstep its prescribed limits, though benevolence, good intent, and patriotic purpose come along with it. Neither does it satisfy itself with flashy and temporary resistance to illegal authority. Far otherwise. It seeks for duration and permanence. It looks before and after; and, building on the experience of ages which are past, it labors diligently for the benefit of ages to come.

This is the nature of constitutional liberty; and this is *our* liberty, if we will rightly understand and preserve it.

Every free government is necessarily complicated, because all such governments establish restraints, as well on the power of government itself as on that of individuals. If we will abolish the distinction of branches, and have but one branch; if we will abolish jury trials, and leave all to the judge; if we will then ordain that the legislator shall himself be that judge; and if we will place the executive power in the same hands, we may readily simplify government. We may easily bring it to the simplest of all possible forms, a pure despotism. But a separation of departments, so far as practical, and the preservation of clear lines of division between them, is the fundamental idea in the creation of all our constitutions; and, doubtless, the continuance of regulated liberty depends on maintaining these boundaries.

From a speech in the U.S. Senate, May 7, 1834

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REBELS of Hope

WARREN CARROLL

You have heard of rebels without a cause, of rebels against beliefs or social customs or governments or all three, of rebels who destroy themselves or are destroyed by forces too great for them. *The New Conservative* introduces you to a new kind of rebel. We can call him the rebel of hope.

His hope is both simple and clear; yet history has shown that it is the hardest of all human aspirations to protect and defend. It is the hope of every individual man and woman to live and work, to play, laugh, and love, free of any controls or restraints imposed by arbitrary power, social pressure, or intellectual dogma. It is the hope of every individual man and woman to produce, to create, to achieve in the world by his own efforts and his own vision, free of seizure and looting by other persons or by governments.

His rebellion is against all the people who will not let that hope come to pass, or deny that it ever can be realized.

If you have not heard it before, you will hear it over and over again here at the University of Colorado: times have changed and dreams are gone, hope is dead and only "adjustment" remains. You will hear that the hero is out of date, the individual only a fading shadow, the group structure around you the only "reality" that matters. You will be urged to learn to live for others rather than for yourself. And whenever, and if ever, you rebel, even for a moment, you will be told that history is against you; that a new tide in the affairs of men has washed away all the landmarks of personal freedom, leaving only the inconstant surface of a wide, gray, and angry sea.

Mr. Carroll is a student at the University of Colorado and a staff writer for *The New Conservative* published by the Conservative Club. This article is from his "Road to Freedom" column of September 19, 1962.

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Don't you believe it! It isn't true! We ask you to join us, instead, on the road to freedom.

No Substitutes, Please

Freedom is not a word we use lightly. It is our moral sanction and our justification; we need no other. We accept no substitutes for freedom. We set no price upon it. We make no compromises with it. We recognize no moral obligation not based upon it. We deny any man's right or any government's right to sacrifice any free personality for the sake of society, of welfare, of the underdeveloped areas, or for any other purpose which does not have *our own* freedom as part of its essence and its consequences.

If our opponents and our critics have a contrary moral code, let them state it. If they have none, let them state that as well.

But perhaps you wonder: how is it that a conservative can be a rebel? Don't our opponents, who have falsely called themselves liberals for so long that the term has stuck to them regardless of both reason and common sense, claim to be the real rebels for freedom? Aren't they striking out against "selfish interests" for "the public interest," to bring more freedom to "all the people"?

The confusion is easily resolved; you can do it yourself. Ask them sometime: just whose freedom are they talking about? And they will answer: "man's" or "the people's."

Have you ever seen "man"? Have you ever seen "the people"? Then it should not surprise you to realize that when freedom is taken away from a real, living person to be given to a paper ghost, freedom vanishes.

It has been vanishing in just this way, time and again, for ten thousand years and more. The doctrine of collectivism, of the innate superiority of the clan and the village, of the city and the nation over the individual, is the oldest and darkest product of the human mind. It was old when Caesar marched to Gaul. It was old when the Pharaohs of Egypt knelt before their hawks-head god. It was old when the first club-wielding chieftain gathered the bright-faced young men and women of his tribe about him to say: "I know better than you what you should do and what you should become. I speak for the wisdom of the witch-doctor and the Spirit of our Race. Follow me – and if you don't, I'll bash your head in." That has always been, and still is, the ultimate collectivist argument.

In every age tyranny wears a mask because individual men and women cannot bear to look upon its face. The masks may change,

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but the face beneath is always the same. It has worn the black mask of the Inquisition; the white mask of aristocracy; the purple mask of empire; the brown mask of fascism; the red mask of communism. The advocates of more and more government or university or society power over the individual today can pick their own style and color; but they cannot change or conceal the reality of their purpose, which is to rule their fellowmen as they, the would-be rulers, think best. This purpose they share with every tyrant that ever lived.

The greatest new idea in the history of mankind is not any one of innumerable excuses for enslaving people. *It is the hope of every man and woman to produce, to create, to achieve in the world by his own efforts and his own vision, free of seizure and looting by other persons or by governments.* ◈

IDEAS ON LIBERTY

Economic Growth

ECONOMIC GROWTH is not generated through purchasing power put freely into the hands of the people by the government. Any seeming prosperity created in this way is transient and insecure and if carried far can lead to social turmoil and economic debility; of this there is evidence in the economic history of other nations.

Permanent and secure growth comes from research and investment; the creation of new and improved products, new enterprises and new jobs. Only in this way can man's productivity be increased. Productivity is clearly a function of investment; and investments can only be induced through the earnings they are expected to produce: in short, profits.

This, therefore, involves a frank acceptance of the creative role both of individual enterprise and of profits and of the need for accumulation and for investment of capital. Without increasing profits, a growing stock of capital, and increasing investment, neither gross production nor productivity per capita can grow.

N. J. MCKINNON, President
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BUREAUCRACY KILLS

A LESSON FROM ROME

WILLIAM HENRY CHAMBERLIN

THE GREATEST COLLAPSE of a mighty state, a large human society and a fruitful civilization of which we possess a reasonably accurate record, has been immortalized by Edward Gibbon's historical classic, *The Decline and Fall of The Roman Empire*. Henry Adams remarked that Gibbon did not really explain the fall; but this criticism is not altogether just. As the following excerpts from *The Decline and Fall* show, the philosophic historian offered a number of reflections on the symptoms and causes of the drama which he set out to describe:

"This long peace and the uniform government of the Romans introduced a slow and secret poison into the vitals of the empire. The minds of men were gradually reduced to the same level, the fire of genius was extinguished, and even the military spirit evaporated.... They received laws and governors from the will of their sovereign and trusted for their defense to a mercenary army....

"The rougher trade of arms was abandoned to the peasants and barbarians of the frontiers, who knew no country but their camp, no science but that of war, no civil

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Illustration: Ewing Galloway, New York

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laws, and scarcely those of military discipline. With bloody hands, savage manners, and desperate resolutions, they sometimes guarded, but much oftener subverted the throne of the emperors."

The Form Remains

Commenting on huge public spectacles which were instituted by the Emperor Philip (244-249 A.D.) Gibbon observes:

"To the undiscerning eye of the vulgar, Philip appeared a monarch no less powerful than Hadrian or Augustus had formerly been. The form was still the same, but the animating health and vigor were fled. *The industry of the people was discouraged and exhausted by a long series of oppression.*" (Italics supplied.)

And, describing a later phase of the decline, the reign of Diocletian (284-305 A.D.), Gibbon spells out this reference to oppression as the product of twin evils which always go together: a swollen bureaucracy and excessive taxation. To quote his account:

"The number of ministers, of magistrates, of officers, and of servants, who filled the different departments of the state, was multiplied beyond the example of former times; and (if we may borrow the warm expression of a contemporary) 'when the proportion of those who received exceeded the proportion of those who contributed the provinces were oppressed by the weight of tributes.' From this period to the extinction of the empire it would be easy to deduce an uninterrupted series of clamors and complaints. According to his religion and situation, each writer chooses either Diocletian or Constantine or Valens or Theodosius, for the object of his invectives; but they unanimously agree in representing the burden of the public impositions, and particularly the land-tax and capitation, as the intolerable and increasing grievance of their own times."

The same effect of the same taxation system in the sixth-century Byzantine Empire, under the rule of Justinian, is described as follows by another historian (George Finley, *Greece under the Romans*, pp. 221, 222):

"At last the whole wealth of the empire was drawn into the imperial treasury; fruit trees were cut down and free men were sold to pay taxes; vineyards were rooted out, and buildings were destroyed to escape taxation....

"The increase of the public burdens at last proceeded so far that every year brought with it a failure in the taxes of some province, and consequently the confiscation of the private property of the wealth-

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iest citizens of the insolvent district, until at last all the rich proprietors were ruined and the law became nugatory."

Process of Degeneration

The pattern of Roman history is one of rise from a small pastoral community to build-up of a vast Mediterranean empire during centuries when there was a balance of ordered freedom, when the republican administration was simple and frugal, in contrast to the luxurious and corrupt despotisms which it overthrew, when patriotism was second nature to the Roman citizen, when the Romans did their own fighting and avoided the use of mercenaries. Then, after a summit of power had been reached, a process of degeneration set in.

Absolute imperial power replaced the complex check-and-balance system of the republic. The famous Senate declined from a vigorous state council, filled with civilian and military executives, into an ornamental rich men's club. The Roman populace was no longer in a mood to fight for its constitutional liberties; it was lulled to sleep by the time-honored method: *Panem et circenses.* So long as it received free food at public expense, and elaborate games and spectacles, it ceased to concern itself with public affairs.

Private initiative disappeared; more and more the all-powerful imperial government was expected to look after everyone and attend to everything. This was beyond the power even of such a noble figure as the philosopher on the throne, Marcus Aurelius; and few Emperors approached Marcus Aurelius in virtue and wisdom. The Decline and Fall may be interpreted as a process of the atrophy of the individual creative faculty under the enervating influence of a state which went the inevitable way of unlimited power and became constantly more absolutist.

Three Centuries Later

The first Emperor, Augustus, was careful to maintain a show of preserving the old republican forms. Bit by bit despotism became more open in its outward manifestations; three centuries after Augustus, Diocletian, although himself a soldier who had risen from humble origin, introduced the whole ceremony of Oriental monarchy, including the use of the diadem, and required the most abject obeisance from all who approached him.

Incidentally, Diocletian may be remembered as a pioneer in wage and price fixing. The silver denarius, the standard Roman coin, had steadily declined in value during the barbarian incursions and

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the civil strife of the preceding century, and Diocletian decreed a devaluation of about 98 per cent. And in 301 A.D. he issued an edict which might have made him the patron saint of the OPA and all other agencies set up to substitute governmental fiat for the working of the free market.

Prices were set for all articles of daily use, and wages were fixed for all crafts and professions. The penalty for disobedience was banishment or death. Occupations were made hereditary; the son had to follow the father's trade. But these attempts at regimentation did not succeed; the edict, after causing much harmful confusion, fell into abeyance and was no longer enforced. According to the *Encyclopaedia Britannica*, "Beginning with Diocletian local autonomy practically disappears, and Diocletian and his successors saved it [the Empire] at the price of practically destroying its economic and political life."

The saving at such a price proved temporary and illusory. With the final breakdown in the fifth century the "grandeur that was Rome" had departed. The northern barbarians, who had already achieved a considerable infiltration as migrant settlers and mercenary soldiers, swarmed over the western provinces of the empire and set up their own kingdoms in what had formerly been Roman provinces.

The Fatal Symptoms

The Fall of Rome cannot be identified with any single battle or revolution. It was a slow process, extending to all fields of life, including literature and art; and it is intimately associated with the substitution of a centralized oppressive imperial bureaucracy for the former local autonomy and diversity, with its wider scope and opportunity for individual initiative and accomplishment.

Even in the period which Gibbon, perhaps a little rashly, designated as the most prosperous and happiest in human experience — the time of the so-called five Good Emperors (96-180 A.D.) — symptoms of the dry rot had set in. There was general peace, except for an occasional border campaign against the barbarians; and the Emperors ruled with justice and intelligence. But there were already symptoms of decay.

Taxation was mounting to a point where wealthy citizens of provincial municipalities were inclined to dodge the expensive honor of becoming chief magistrate and finding themselves obligated to provide feasts and games for the public benefit. When provincial cities, formerly free in matters of local administration,

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got into financial difficulties, the omnicompetent Imperial government proceeded to bail them out and appoint official directors of their affairs.

Subsidized Softness

A welfare state system taught the people of Rome and other big cities the ease of idleness. By the time of Marcus Aurelius there was a daily distribution of bread, pork, and oil to the populace. Expenses for gladiatorial combats and other public spectacles mounted until an estimated figure of $100 million a year was reached. The descendants of the sturdy original Romans showed more inclination to spend their days in the coliseum and less in serving their country. The army — necessary to guard the long frontiers against restless tribes of barbarians — had to be recruited more and more on a mercenary basis and became, as a result of this process, less disciplined and less reliable politically. At one time the office of Emperor was actually put up at auction by the Praetorian Guards who dominated the capital city of Rome. In the opinion of the Canadian classical scholar, W. G. Hardy, the divorce between the barbarized army and the civilized but soft civilians was the immediate cause of the collapse.

Professor Hardy mentions a plague, originating in the East, perhaps something like the Black Death of the Middle Ages, as a contributory cause of Rome's decline; but adds significantly (*The Greek and Roman World*, pp. 103, 104):

"Even before the plague the Roman world was rotting from within. Government paternalism, bureaucracy, inflation, an ever-increasing taste for the brutal and brutalizing spectacles of the amphitheatre and the circus were symptoms of a spiritual malaise which had begun when political freedom was tossed away in the interests of peace, security, and materialism. There was the canker of slavery and the equally dangerous practice of keeping a segment of the population permanently on the dole. There was free labor subsisting on starvation wages because of the competition of slavery. At the other end of the scale lolled a group of multimillionaires for whom no luxury was too extravagant. Nor did anyone perceive that inflation and rising taxation must ultimately squeeze the middle class out of being."

Easy Prey for Barbarians

The example of the fall of Rome is a severe blow to theorists who see historical development as an upward curve of continuous and inevitable progress. Many centu-

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ries of darkness, of confused strife and pitiful ignorance and poverty would pass before Roman standards of law, administration, and culture were regained, before figures of the stature of Cicero and Virgil and Horace and Juvenal and Tacitus would again appear in the countries of what had once been the Roman world, before new works of sculpture comparable with those of Greece and Rome would again be created. But Rome's fall, as historians are more and more inclined to agree, came about not so much from any overwhelming pressure from without as from weaknesses and dry rot within, which finally made the decayed empire easy prey for the onrushing barbarians of the North.

Lessons for Our Time

Because of this, the process of decline and fall has real and urgent lessons for America and for the European nations which are heirs of Roman culture and civilization. One may be sure that the Founding Fathers of the American Republic, if they were alive today, would be quick to note with alarm certain parallels between American and later Roman developments, notably the willingness to sell out individual rights and freedom and local autonomy for a mess of centralized statist pottage.

For most of the Founding Fathers were among the most learned men of their time. *The Federalist Papers* and the preserved letters of Jefferson and John Adams, Franklin, and Madison are full of references to the events and developments of classical times and to the lessons which should be drawn from these happenings of the past. Perhaps the most impressive of these lessons is the fatal folly of letting all power become concentrated in a single state authority. The rule even of a "good" Emperor – a Nerva, a Trajan, a Marcus Aurelius – had an enervating, soporific effect, because it was not associated, for the citizen, with a lively sense of personal responsibility. It was what Alexis de Tocqueville had in mind in his remarkable prophetic forecast of what would be the end result of an advanced form of welfare state:

"Above this race of men stands an immense and tutelary power, which takes upon itself alone to secure their gratifications, and to watch over their fate. That power is absolute, minute, regular, provident, and mild. It would be like the authority of a parent, if, like that authority, its object was to prepare men for manhood; but it seeks, on the contrary, to keep them in perpetual childhood; it is well content that the people should

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rejoice, provided they think of nothing but rejoicing. For their happiness such a government willingly labors, but it chooses to be the sole agent and the only arbiter of that happiness; it provides for their security, foresees and supplies their necessities, facilitates their pleasures . . . what remains, but to spare them all the care of thinking and all the trouble of living?

"Such a power does not destroy, but it prevents existence; it does not tyrannize, but it compresses, enervates, extinguishes, and stupefies a people, till each nation is reduced to be nothing better than a flock of timid and industrious animals, of which the government is the shepherd."

And, of course, there were few "good" Emperors. The history of the Roman Empire offered many vivid examples of how absolute power could corrupt absolutely.

Ever higher taxes, an ever-increasing bureaucracy, an evermore absolutist state power, a paralysis of local initiative, a growing reliance on a central authority that started with some aspects of a welfare state and ended in full-fledged totalitarianism, with such features as prescribing occupations and fixing wages and prices — such was the unhappy story of Rome's Decline and Fall.

Does it take much exercise of the imagination to recognize in our own country and our own time some germs, at least, of the political, social, and economic diseases that first sapped and finally destroyed "the grandeur that was Rome"? ◈

IDEAS ON LIBERTY

Government Housing

THE ADVOCATES of the welfare state generally point to Sweden as the model we should follow in the United States, especially for housing. But, according to *The New York Times* of October 21, 1962, this awkward fact still remains:

". . . . the waiting time for an apartment in Stockholm continues to be six to seven years."

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the "Liberal" Way

LOUIS STONE

THE CLAIM is now being pushed by the "liberals" that the American economy stands at a crossroad of choice between capitalist recession and socialist expansion and that the American "passion for social justice" requires government domination of our traditionally free society.

The argument runs that the big increase in the working-age population in the present decade will result either in massive unemployment or in production far in excess of consumption, with a consequent severe depression. Assuming approximate continuance of present trends in the working population, in working hours per week, and in productivity per worker, the gross national product can be projected at about $800 billion in 1970, against $500 billion in 1960. Government purchases of goods and services (federal, state, and local, excluding transfer payments such as interest on debt, social security benefits, etc.) took 20 per cent of the gross national product in 1960; the "liberal" thesis holds that unless this 20 per cent ratio is substantially increased over the present decade, there will be a substantial surplus of unwanted production because neither consumer demand nor business investment can be expected to increase at a rate sufficient to buy the flood of goods and services that will be put on the market. Clearly, the reasoning goes, there is a "necessity" to change our traditional free enterprise society into a government dominated state in which the gap between production and purchasing power will be filled by government spending at all levels for social needs.

Perhaps the most shocking thing about this thesis is that instead of abhorring such a development like the plague, the "liberals" actually advocate it, to the despair of those who are dedicated to the achievement of growth without inflation and without a further centralization of power in the federal government. To some extent the "liberal" argument represents only the psy-

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Mr. Stone writes the *Monthly Investment Letter* of Hayden, Stone & Co. This article is from the September 1962 Letter.

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chological dissatisfaction of the intellectuals, so well described by Dr. Ludwig von Mises, the eminent Austrian economist, in his book, *The Anti-Capitalistic Mentality* (Van Nostrand, 1956). The intellectuals in this country, liberals and conservatives, have never enjoyed the degree of prestige that they deserve and that rightfully prevails in Europe, and they never achieved sufficient financial status in the roaring "fast buck" capitalism that characterized the country's growth up to the 1920's. In the price inflation of the past thirty years, for which the "liberal" intellectuals are partly responsible, the salaried teaching class has fallen even further behind, unfortunately, and a good part of the present anti-capitalist slant may reflect only a natural resentment.

More important than the psychological slant, however, is the continued misunderstanding of this country's economic and political history. We don't think that a "passion for social justice" ever characterized either the Founding Fathers or the subsequent builders of this country. The passion was for *individual* justice, not "social justice," and all the emphasis was on protecting the individual from a dominant state and on the insuring of equal opportunity. There was always, in all of the early American ideology, a sharp insistence on individual reward for individual effort and an avoidance of anything but charity for those who were unwilling or unable to compete. The emergence of a less severe economic attitude, with a trend toward smoothing out the cruel inequities of a hotly competitive system, reflects only the latter day humanitarianism of a rich society rather than any traditional American economic concept.

The purely economic side of the "liberal" argument – the essentially Marxian theory about a gap between production and demand – seems logical, but it isn't. A good philosopher can prove or disprove practically anything in theory but he knows that purely inductive reasoning without regard for the facts will lead into all kinds of Aristotelian error. Capitalism can't work, but it does. Communism should work, but it doesn't. The arguments cited above about a tremendous increase in the labor force and a likely shortage of consumer demand could have been cited in 1860 just as logically as in 1962, and the subsequent facts would have made monkeys out of any brilliant theorists who might have come up with similar inductive reasoning. Starting from a 31.5 million base in 1860, the country's population increased 25

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per cent in every decade through 1890, 20 per cent through 1900 and again through 1910, and 15 per cent through 1920 and through 1930. Moreover, the working population in the cities was swelled by tremendous immigration totals, ranging from 500,000 to 1,000,000 a year, and it was further increased by gradual mechanization on the farm and by a continuing rise in the percentage of women workers. The rate of increase in the labor force in the 60 years from 1860 through 1920 was probably almost double, in every decade, the projected 18 per cent increase from 1960 to 1970.

One of the myths that confuses economic "liberals" today is the theory that the opening of the continually expanding Western frontier provided an outlet for our "surplus" production that is lacking today. The facts belie the theory. The frontier that absorbed the bounding energies of the new labor force was not in the West – it was in the huge industrial complex that was built in the Ohio Valley, out of coal and iron and steel. The West was not a market for the East; on the contrary, the gradual improvement in living standards of the eastern masses provided a market for the wheat and cattle of the western plains and forced their profitable development by the wheat growers and the cattle raisers. In other words, the economy fed on itself, just as it always has when price and profit relationships provided an ample incentive for the entrepreneur, and it needed no artificial stimulus from a new frontier, or from war, or from paternalistic government.

Today we have a vast "new frontier," if we choose to think of it that way instead of listening to professorial mumblings about a "mature economy." Today's frontier is the vast amount of work that needs to be done if we are to make our production and transportation system truly competitive – two-thirds of it is out of date and needs replacement or rebuilding. The railroads alone present a challenge that can absorb billions of dollars and millions of man-hours if only the dead hand of excessive regulation and make-work unionism can be lifted. Another frontier lies in new products – if the "liberal" economists who prate about a shortage of demand could sit down with the planning staffs of American Telephone, General Electric, and du Pont, they would learn that a whole new world is in the making, and perhaps they would then throw out their dire statistical projections about the end of capitalism and the "necessity" for increased government spending. ◈

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F. A. HARPER

HARMONY OUT OF CHAOS

These are troubled and confused times.

THIS OBSERVATION may safely be made at any time, as perhaps the most permanent statement one can make about the affairs of this life as they appear to most of us. The scenery and the players keep changing, but the script is always good. For the more one scans the universe superficially the more chaotic it appears to be.

The appearance of chaos has led otherwise highly intelligent persons to jump to two conclusions:

1. That it is nonsense to assert that this is an "ordered" universe, because it then could not be so disorderly.

2. Since the "creator" who does not exist failed to make us an orderly habitat, it remains for the inhabitants to take the situation by the horns and make some order out of the chaos by planning and the use of force.

It is difficult to prove in a positive fashion that this universe is an orderly creation, unless one can attest to having been present at that time and witnessed the making. As with this question, it sometimes is helpful to try the reverse hypothesis, namely, that it is not an ordered universe, and see where that leads us.

We would then have to assume that one plus one will not necessarily be two the next time around. We would have to assume that the planets all whirl through space at random speeds and directions, changing constantly, and perhaps not even having straight lines or curves to fit any event of the universe. There would presumably be no such thing as gravity, or any substitute, leaving all mass without either attraction or repulsion. Chemicals would have no fea-

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tures of consistency, even in their integral parts. What any person says or does has no similarity whatever to what he will say or do in the future on the same subject or under the same circumstances. In short, no single item of your experience or that of any other person in history, as "acquired knowledge," can be of any use to anybody in the future. To live would surely not be fraught with boredom, which would be absent to a degree presumably intolerable to everyone.

A fantastic set of assumptions? To whatever extent it seems that way to us, our wisdom and experience are telling us that the universe is not disorderly.

Stressing the nature of an unordered universe needs constant emphasis when trouble and confusion discourage us from the quest of discovery. It is by this process that we may live with some peace of mind. After first making up our mind that order exists, and that disorder is no more than the reflection of our ignorance and lack of faith, we are then – and only then – ready to go to work on any part of our daily affairs. All who live and act are really exhibting the faith of which we speak, even when their words deny their inner faith. Clearest of all, perhaps, is the work of the scientist who would have no purpose at all in ever turning his hand at his work, except as he assumes order that will make like consequences out of like causes.

On the second point about the hand of man making order out of the chaos left by gods on vacation, we need only observe that this task would be patently impossible in an assumed universe of totally unreliable forces and materials. The cure of the situation by the independent power of man is denied by the assumption as to why it is needed. Before any such person can go to work with his planning and his controls, he must first obtain a license and tools from a source whose existence itself has been denied.

The State of the Social Sciences

The relevance of what has just been said about the plight in logic of the person who would control without any tools for control is most acutely at issue, in our time, in the social sciences. The reason is, I believe, that the chaos in human relationships throughout the world is so heavily on our minds that we are overly impatient with the slow processes necessary to their sound solution. If we may accept the outline of scientific development by Comte, further refined by Spencer, the social sciences have awaited the prior development, by and large, of the

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simpler sciences of mathematics, astronomy, physics, chemistry, and biology – to be followed by psychology, sociology, economics, and other branches of mankind and his conduct.

Why has there been this order in the development of the sciences? Why has man learned so much, long ago, about the sun and the stars far away where he has never visited, but has learned so little about himself and his next door neighbor? Briefly, it seems to be because the one is relatively simple and the other is extremely complex.

A road block in the way of developing the science of human relationships now appears to be the lack of finding and using the basic, elemental tools of the science. For one thing, this science has always lacked – and seems still to lack – the first requisite of any developing science: precise identities for ideas and entities within the science. To illustrate the problem of which I speak, what is liberty?[1] And similarly, what precisely are other key concepts and their meanings in terms we can use for precise thought and communication with one another?

To look at the cause of persistent stumbling in the social sciences another way, it may help to look at the sister science of chemistry. Little progress in chemistry could ever have been made without identity of the key concept of the basic unit of that science – the element. Imagine trying to make any real sense out of the complexity of chemistry while dealing, in thought and in fact, only with compounds. How could a person ever find a linkage between a deadly gas, water, and a rusty nail? Yet to take that important step, the "obvious" had to be surmounted into the abstract. This is because most of our environment is made up of compounds, not elements.

If chemists had persisted in working with the seemingly natural state of affairs, they would have gone on and on in the hopelessly blinding search of the collectivist or communist state of chemical existence – the compounds, wherein the basic units of the science were concealed. Nitrogen, interestingly, is a unique exception that persists in its attempted bachelorhood, and for that very reason has been unique as an explosive.

The Elemental Unit of Social Science Is the Individual

Turning now to the social sciences, and speaking here in terms of a hypothesis for serious consideration, I would suggest that

[1] F. A. Harper. *Liberty Defined* (The Freedom School, 1958).

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the only elemental unit of social science is the individual person. Under this assumption, every combination of two or more persons into an aggregate either in physical proximity or statistically is a social compound and should be dealt with solely as such. No such combination is an original unit in this science, to be dealt with to the obliteration of the elemental unit which comprises it. This does not deny the existence of such social compounds, for, as in chemistry, they abound widely and commonly – so much so, in fact, that they have stolen the show and prevented the science from developing very far.

This may not be a startling hypothesis. One is inclined to yawn and pass on to things seemingly less obvious. But just a minute; is it so obvious and well known? Though a person knows in a superficial sense that persons are individuals – his mother may have clued him a bit about the nature of his individual birth, and both the bride and groom on their wedding day may suspect this to be the case, and the honored guest at funerals seems likewise to be the remains of an individual person – is it known clearly and firmly enough to use it as such in our thinking?

Is it at once clear how this concept is denied in the way we commonly speak and discuss issues of our time, and in our attempts to resolve them? "What does the United States think about ——?" "The national debt does not count because we owe it to ourselves." "Our national productivity is – per cent higher than Russia's, and so we have little to fear." Or when someone mentions Joe Doakes, do we think of his delegated parts – the part he turned over to government and surrendered as self-responsible (a citizen of ———), or think of him as a part of the corporation where he works, or the church where he belongs, or the club where he drinks beer on Friday nights? Or do we "resolve" individual problems by delegating them to some collective arrangement, and then when that fails, delegate them even more or turn to some other collective? By our acts, not our words, you shall know us.

Differences Within Groups

One might think that the biologists, of all scientists, would have been clear on this elemental unit of social science. They spend a large part of their time taking apart the various specimens of animal life, one at a time. In a sense and to a degree, they doubtless have. Yet the biologists, like the scientists in other and older fields, have tended to emphasize

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the broad classifications of similarity within the segment of the universe with which they dealt, rather than to preserve and concentrate thought and study on the differences within these groups.

The early steps of any science, traditionally, have been to make some sense out of the confusion, apparent on the surface, by finding some main categories of similarity. These have included the distinction between organic and inorganic matter, between plant and animal life, between cattle and horses, and the like. Only in the highly advanced course in college, for instance, is the student's attention focused on the differences within one of these classes — to illustrate, a class in judging cattle by focus on the differences between several Holstein cows.

Even in older sciences we are experiencing surprises as differences are discovered where homogeneity was presumed to prevail. In physics, for instance, newer developments are said to suggest that individual atoms within a group that was presumed to be homogeneous act in highly variable manners. Edward Teller has said that individual atoms are as unpredictable as people are supposed to be; that we have been dealing with them *en masse* by averages, much like the processes of an insurance company.

A Highly Complex Unit

In social science, we are dealing with a unit that is far more complex than an atom, an earthworm, or a hippopotamus.[2] The human organism, which is the basic element of this science, has been dealt with intensely as distinguishable units in a special scientific manner only about half a century, and mostly within the last quarter century. And even now, few are working at it effectively in this manner of approach, and as yet we see only dimly the nature of the problem and extent of human variation. To sketch areas of interest, some differences in blood types were discovered around the turn of the century; finger prints, as we have known for some time, will distinguish a person from any other person; and recently, by use of the DNA molecules, the separate identity of each of the three billion persons on earth could be stored in a thimble.

Not only does one of these features of a person vary over a wide range, but there are all but countless features of the human that so vary. Perhaps any one of these innumerable features could be used to identify a person from any other person, if we only knew how to make a tool to measure it

[2] Roger Williams. *Free and Unequal* (University of Texas Press, 1953).

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and knew how to use it. To take an illustration again, the mind was formerly thought of as a mysterious unit of the person. We know little about it yet, but one research worker has identified some forty separate dimensions of the human mind, and has reason to believe that there may be as many as sixty.[3] When the sixty are at last identified, we may have reason to think that there are one hundred; two hundred.

If one will ponder the magnitude of human variation which this suggests, it will be rather overwhelming at best. If nothing else, it will put a new meaning in the statement of the friend you met at the bar, who complained that his wife does not understand him. To be sure she does not, for the very good reason that he defies full understanding. But so does his wife, and every other person.

Some Implications of Variation

There is not the space and this is not the place to develop at much length the implications of this terrific human variation. It will suffice, for here and now, to suggest some of the implications that seem to lie buried behind the failure to have dealt with the basic element of this science of human relationships. The meaning will then, I hope, grow and grow.

It should be noted that this all-but-infinite human variation is at one and the same time a possible curse and a possible blessing. Any one element of difference might go either way, depending on how we look at it and how we deal with it. On the one hand, human variation is a cause of conflict; it is, presumably, the sole root cause of human conflict and wars. Were everyone identical – a state of the universe that is incomprehensible, and which would end all reason for human relationships at all – there would be no cause to fight anyone or growl at him. Few persons fight themselves in the mirror, or growl at themselves except perhaps for what they did to someone else because of these differences.

These same differences, on the other hand, are the potential blessing that makes life really worth living. I do not mean the entertainment that we give each other, like the animals of a zoo which in this instance are running at large, though there is plenty of room for amusement and amazement. The real significance of human variation as a potential for good lies in the infinite possibilities for ex-

[3] J. P. Guilford. "The Structure of Human Intellect," a paper delivered before the National Academy of Sciences, Pasadena, California, November 2-4, 1955.

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change that is possible for this reason alone.

These exchanges are both economic and noneconomic. You do not trade with a person in the market because he is identical with you; on the contrary, you trade for the reason that he differs from you in ability or capacity to produce, or in tastes for consumption, or in some other significant aspect. And unless you are one of those exceedingly rare persons who married solely for economic reasons, your marriage was outside the economic realm, and in any event you probably married because of differences rather than similarities.

Isolation Not Required

In identifying the individual as the basic unit of social science, isolation is not necessarily required or advocated. Such identification merely asserts that in any relationship with one another we are behaving as individuals who retain our identity while so doing. Cooperation, in fact, could not exist except as there are separate entities to do the cooperating. An omelet does not describe a state of ongoing cooperation between eggs. The meaning of this concept is, instead, that individuals have both the right and the attendant responsibility of selective relationships with other persons, at times and places requisite to their mutual needs. Contractual obligations may give one relationship an enduring quality into time, or it may be like the trade in the market at one point of time with a person you may never see again. In any event, the identity of the individual person as the key to the science, instead of isolating him conceptually, really widens the possible scope of his opportunities for cooperation, due to the fact that it frees him from restraints imposed by others which shackle him.

Nor does the concept of the individual as the basic unit deny or prevent a unity of spirit, so long as the individual is left intact, spiritually and otherwise.

"So that the eye cannot say to the hand, 'I don't need you!' nor, again, can the head say to the feet, 'I don't need you!' On the contrary, those parts of the body which have no obvious function are the most essential. . . ." I CORINTHIANS 12.

An Important Area To Develop

The points of significance need not be belabored to establish the main point, namely, that a great and largely undeveloped field of work in this young science of human affairs seems to lie behind a firm establishment of the individual as the elemental unit of

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this science. The science is so young and full of unknowns or even superstitions that we may expect our grandchildren to look back on our efforts as perhaps well-meaning but amazingly in error.

Yet, if the assumption is correct that this new approach is a crying need, with terrific amounts of underlying work to be done in biology, psychology, and goodness knows what else, we may look ahead with the hope which true humility makes possible. The trail of hope, I firmly believe, leads toward more and more harmony arising out of the seeming chaos in which we now find ourselves in our ignorance. Full wisdom and complete understanding are, presumably, not for us. But this need not prevent a doubling, a trebling, and so forth, of the little we now know; and to that extent, the fruits of ignorance in the form of chaotic enmity will give way to harmonious human relationships. ◈

Crowd Culture

BY THE MERE FACT that he forms part of an organized crowd, a man descends several rungs in the ladder of civilization. Isolated, he may be a cultivated individual; in a crowd, he is a barbarian – that is, a creature acting by instinct. He possesses the spontaneity, the violence, the ferocity, and also the enthusiasm and heroism of primitive beings, whom he further tends to resemble by the facility with which he allows himself to be impressed by words and images – which would be entirely without action on each of the isolated individuals composing the crowd – and to be induced to commit acts contrary to his most obvious interests and his best-known habits. An individual in a crowd is a grain of sand amid other grains of sand, which the wind stirs up at will.

GUSTAVE LE BON, *The Crowd*

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A Wee Bit of Truth

JESS RALEY

FOR MANY YEARS I have enjoyed this very rare advantage: a wee bit of truth, as it were, that few people have had the good fortune to embrace.

It was a hot, humid day in the summer of twenty-eight, and I was twelve years old. In those days many small farmers still used horsepower and a "town" boy could earn "spending money" working on the surrounding farms. Mr. Pete's (short of Peterson) instructions were very concise. "Take that bay mare mule, rig up a single stock with a short scooter and fourteen-inch sweep, and run around that bottom corn across the creek. Mind you, now, set your plow where it will just skim the top of the ground. It would ruin the corn to plow it deep." These instructions appeared quite simple when Mr. Pete was giving them, but in actual practice, well beyond my ability to activate.

Actually there had been no willful distortion of facts in my preemployment interview with Mr. Pete, but certainly there must have been a vast difference of opinion as to the definition of experience. I had, the preceding summer, made numerous visits to farms where my friends were working. On such visits one invariably "made a few rounds," presumably to give the friend a break. This was my idea of experience; the fact that plows had to be adjusted to do a specific job had not occurred to me. This was the first day on my first real job, however, and I had no intention of spoiling it by asking a lot of questions.

I was nine feet tall when I reached the cornfield and began to plow. This excessive height fell away at about six inches per round, however, because there seemed to be no way to get this particular plow to "skim." In fact, it appeared to have an ingrained tendency to plunge into the

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ground, all the way up to the beam.

The battle was on from the first step. The plow adjusted to run deep, the boy determined to make it skim. At first I carried the plow at the desired depth by main strength. As the sun rose higher, my neck and face itched and burned from contact with corn blades, perspiration streamed down my legs until it slushed in my shoes, the plow inched deeper each round until it was running full depth, and at each turn I cleared the foot of displaced feed roots.

I remember my first reaction was determination to do the job as instructed. This wore into an irrational dislike for Mr. Pete. After that came self-pity. Then the ego-soothing thought that I was doing my best. After all, everyone knew that doing one's best was the end of any pursuit.

About mid-morning I looked up and saw Mr. Pete waiting at the end of the row. Tall and gaunt, with one ham-like hand suspended by a thumb hooked in the bib of his overalls, he looked even more formidable than the day before when I had applied for a job. At that time he had said he would try me, even though I looked "kinda light in the breech."

Mr. Pete didn't say a word for a long time. He walked around and inspected the wet, heaving mule. He looked for a long time out over the freshly plowed area where the corn had already begun to twist because of the torn roots, then at the plow, and last of all at me. No D. I. ever made a recruit feel more unnecessary than I felt before Mr. Pete spoke.

"Boy, you've ruined about two acres of corn for me."

"But I did the best I could, Mr. Pete. The plow just don't want to run shallow."

"Don't doubt you done the best you could, boy; you look it. Fact remains, though, you have plowed me out of a good load of corn." He looked the whole operation over again. "Now mind what I'm saying, boy. Knock your plow off and put it down low. Set your back band back about four links. Drop the shackle down to the bottom hold in the beam and tie a shake knot in the traces." Mr. Pete watched and advised while these instructions were carried out, but made no move to help with the actual work. "Now, try that," he said when the adjustments were completed.

It didn't feel like the same plow. Now the sweep skimmed just under the ground and I could hold it with one hand. Mr. Pete waited but said nothing for, what seemed to be, a very long time. The longer he stood there the more formida-

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ble he appeared, and the more I thought of the things I had heard about him. It was said that he was "honest as the day is long, hard as nails," and a man that wanted all that was his but nothing that belonged to someone else. I could easily believe this because only that morning he had told his son that the best thing to do, when offered something for nothing, was to knock the would-be giver down, if he could. The second best course was to run fast and far, get away or be hooked. With these things in mind, I was sure my tenure of employment was over when Mr. Pete motioned me to the shade of a huge beech tree.

"Now, boy, I want you to listen real close. I'm paying you a man's wages and I expect a man's work. Course, I wouldn't have hired you in the first place if I'd known you couldn't set a plow, but that's water over the dam now. Matter of fact, I don't hold that a man should bring up details that might hurt him when he's asking for work. I'm the one that slipped up, not asking more questions. Now, I'm going to keep you for the present, boy, if you can remember one thing. Doing the best you can is not worth two hoots unless it gets the job done. Don't ever use that for an excuse again. It was worked to death before you was born."

The simple truth of Mr. Pete's philosophy is surely well-known. In spite of this, "I've done my best!" is still the most popular excuse in use today. How often we hear it from others and offer it ourselves in our daily personal affairs and business relationships.

Nowhere is this most popular excuse more used and abused than in the political field. Many public servants, elected and appointed, doubtless are doing "the best they can" at the astronomical tasks assigned and assumed. Some obviously reached office by stretching a point concerning their qualifications. But, as the Mr. Petes, the citizens who do the hiring and assign the tasks, we also overwork the excuse that we're doing "the best we can."

When our government officials fail to deliver according to our expectations, the fault may well lie in our expectations. Do we give the hired man a gun and clear instructions to protect life and property and maintain the peace—that, and nothing more or less? Or do we expect the policeman to provide us with something for nothing? Should the latter be true, we may count on being "plowed out of a good load of corn"—and everything else free people hold dear. ◈

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The PUBLIC VERSUS The PRIVATE SECTOR

W. ALLEN WALLIS

THE DISCUSSIONS, written and oral, of the public versus the private sector that have drawn attention to this issue – or, rather, that have created the impression that there is a specific issue here – picture a society in which expenditures on schools, sanitation, care of the indigent, public health, highways, communication systems, churches, science, and the higher forms of art, music, drama, and literature, are in squalid decline as a consequence of serious reductions in the funds available. The facts are just the opposite. There has been tremendous acceleration in the past decade in building schools, increasing teachers' salaries, building superhighways, supporting science, aiding the needy, conquering disease, clearing slums, building hospitals, building churches, publishing books, performances by symphony orchestras, attendance at art galleries, and innumerable other worthwhile public activities. Growth of public expenditures since the Korean War has been great and the growth has been mostly in public services – in the "welfare state," not in national security.

Those who argue that the public sector should be increased often define the public sector implicitly not even as everything that is paid for by the government, but as only that part that is provided directly by the government through government employees using government-owned facilities. They are thus arguing in effect that the provision of certain services should be transferred from private to public hands.

Churches are a good example of a public facility that in this country is provided exclusively by private funds. Even the most ardent

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advocates of transferring the financing and control of public facilities from private to public hands stop short of advocating this transfer with respect to churches, presumably because of ingrained belief in separation of church and state. Private institutions of higher learning are another case in point. In this instance, perhaps the principal reason that the "unmet social needers" usually stop short of advocating transfer to public control is that many of the most imaginative of them are employed by private universities, and their most valuable economic freedom is academic freedom. (It should be noted, however, that public financing of political parties is occasionally advocated; and this would be more dangerous to our political liberty than public financing of religion would be to religious liberty, or than public financing of higher education is to academic freedom.) Indeed, the "public squalor argument is," as I have said on another occasion, "simply this decade's battle cry of socialism, which – intellectually bankrupt after more than a century of seeing one after another of its arguments for socializing the *means* of production demolished – now seeks to socialize the *results* of production."

Tocqueville pointed out in 1840 that democracy in America seems to cause the pressures to solve a problem to mount as the problem itself dwindles. Tocqueville applied this particularly to inequality.

"The hatred which men bear to privilege increases in proportion as privileges become fewer and less considerable, so that democratic passions would seem to burn most fiercely just when they have least fuel. I have already given the reason of this phenomenon. When all conditions are unequal, no inequality is so great as to offend the eye; whereas the slightest dissimilarity is odious in the midst of general uniformity; the more complete this uniformity is, the more insupportable does the sight of such a difference become. Hence it is natural that the love of equality should constantly increase together with equality itself, and that it should grow by what it feeds on." (Mentor Edition, p. 294)

From Affluence to Equality

This burning-most-fiercely-when-the-fuel-is-least seems to operate in much of our social spending on welfare measures. Only after substantial success was beginning to be achieved in providing retirement income, through individual insurance and private pension plans, did pressure for public provision of retirement income build up to the point of compulsory federal provision of funds

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for old age. As the problem of medical care for the aged has steadily diminished, partly because of improved health of the aged, partly because of higher per capita income which has made it easier for people to provide their own resources for old age and to care for their aged relatives, and partly because of the wide increase in organized saving for retirement, pressure for some form of governmental program has increased. Similarly, in the case of race relations, only after rapid progress finally began to occur through private means did serious pressures grow up for governmental compulsion. There are many other examples of the same kind.

Tocqueville makes two other remarks that are particularly helpful in understanding the current pressures for expanding collective action and diminishing individual action:

"As conditions of men become equal amongst a people, individuals seem of less, and society of greater importance; or rather, every citizen, being assimilated to all the rest, is lost in the crowd, and nothing stands conspicuous but the great and imposing image of the people at large. This naturally gives the men of democratic periods a lofty opinion of the privileges of society, and a very humble notion of the rights of individuals; they are ready to admit that the interests of the former are everything; and those of the latter nothing. They are willing to acknowledge that the power which represents the community has far more information and wisdom than any of the members of that community; and that it is the duty, as well as the right, of that power, to guide as well as govern each private citizen." (Mentor Edition, p. 291)

"Every central power, which follows its natural tendencies, courts and encourages the principle of equality; for equality singularly facilitates, extends, and secures the influence of a central power.

"In like manner, it may be said that every central government worships uniformity; uniformity relieves it from inquiry into an infinity of details, which must be attended to if rules have to be adapted to different men, instead of indiscriminately subjecting all men to the same rule. . . . The faults of the government are pardoned for the sake of its tastes; public confidence is only reluctantly withdrawn in the midst even of its excesses and its errors; and it is restored at the first call." (Mentor Edition, p. 295)

Other Factors Contributing to the Growth of Collective Action

In addition to the points made by Tocqueville, two other factors seem to me to contribute to the growth of collective action.

The first of these is failure to diagnose a problem and failure to analyze the consequences of a pro-

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posed solution, or else wrong diagnosis and wrong analysis. The provision of retirement income through a federal social security program, for example, began shortly after the Great Depression, and it may well be that hardships of the aged that were in fact due to that depression were attributed to inadequate provision for old age. Similarly, since the Korean War, financial hardships entailed in medical care for the aged are in fact due largely to the transitory inflations of the Second World War and the Korean War which, in effect, confiscated large fractions of the savings of many who are now retired; but the hardships (or alleged hardships) are misdiagnosed as due to persistent forces that will continue to affect all retired people.

Instead of myself discussing the neglect of long-run consequences, I should like to quote from the Federal Reserve Bank of Chicago's *Business Conditions* bulletin of June 1961. Under the title, "Depressed areas – some lessons from the past," the bulletin says:

"In the course of wide debate, economists and public policy makers have often overlooked the fact that depressed areas have been a recurring aspect of the economic development of this country. American history includes many accounts of the rise and fall of communities and whole regions owing to changes in technology, exploitation and exhaustion of natural resources, changes in demand and the migration of industry to other parts of the country in response to the pull of new markets – the same factors cited as contributing to chronic unemployment in today's depressed areas. . . .

"There is, of course, an inherent danger that some attempts at solving the problem may backfire and only prolong the process of readjustment as well as contribute to an inefficient allocation of the nation's resources. . . .

"Thus, the experience of economic readjustment to the decline of the lumbering industry in the northern counties of the Lake states has emphasized . . . that there is always the risk that some attempts to solve the problem of depressed areas may not work at all and may only complicate and delay the adjustment process. Witness the collapse of the campaign to promote farming on the cut-over lands despite vigorous backing from the state governments, the railroads, lumber companies, local businessmen, and even 'experts' from the agricultural colleges."

I have the impression that good examples could be drawn from European history of the great cost that may be incurred by neglecting long-run consequences when adopting policies that seem to provide some hope of temporary relief of symptoms. For the United States, it is probably not a great

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distortion to say that most of the worst economic problems that we face today have been created by the long-run ill effects of policies adopted in the past to deal with some much smaller problem.

Vested Interests

The other force that I think must be added to Tocqueville's in explaining the contemporary movement toward larger federal spending, for which the "unmet social needs" argument has provided buttressing, is a rather profound change in our political processes since the days of Tocqueville. The expansion of the federal government's welfare activities has led to a great increase in the importance of pressure groups. Many of the programs for expansion of the public sector get their effective backing not from those who would receive the service but from those who would sell it to the government. While this is strikingly true in the case of education, medicine may seem to be a counter-example; but in the case of medicine, the opposition to expanded government activity comes from those who are now selling the service and who visualize others selling it or themselves selling it on less advantageous terms if the government expands its activity.

As a matter of fact, as government welfare programs have fallen more and more under the control of pressure groups, the real problems have tended to be neglected. The consideration of depressed areas relief illustrates this. This is not *a* depressed areas problem, but many different problems, with varied causes. Some of the most serious of these problems are in the so-called "hillbilly" areas – the mountain regions of certain Southern and border states. These groups for the most part lack sufficient voting strength to attract any substantial federal funds. Federal funds flow instead to areas where breakdown of law and order, lack of even justice in the courts and administrative agencies, demoralization of the labor force, and exploitation by state and local governments have driven industry away. Federal funds tend to subsidize and perpetuate the causes of the difficulty. In the "hillbilly" areas, on the other hand, there would be some prospect for success of efforts to improve the level of education and skills, knowledge about opportunities elsewhere, and mobility.

In conclusion, let me remark that it is perhaps a mistake to call the position of the "unmet social needers" socialism, even though their position represents, as I have pointed out earlier, a gradual evo-

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lution from the socialist position of a century ago, and is its contemporary counterpart in the United States. Socialism has traditionally been associated with government ownership of land and capital. The modern movement would continue a large measure of private ownership and private enterprise, but seeks to elaborate and to extend control of private activities and to confiscate a large and growing part of the private product. This is carried on partly in the name of unmet social needs at home, and partly in the name of national security. It is in many respects on all fours with mercantilism, the economic policy followed by England and other European countries in the seventeenth and eighteenth centuries, which was a major cause of the American Revolution. Indeed, the movement to enlarge the "public sector" represents perhaps the most powerful reactionary force that has arisen since the departure of mercantilism from this country with the adoption of the Constitution in 1789. ◈

IDEAS ON LIBERTY

Cotton Textiles, 1760-1835

AT THE ACCESSION of George III (1760), the manufacture of cotton supported hardly more than 40,000 persons; but since machines have been invented by means of which one worker can produce as much yarn as 200 or 300 persons could at that time, and one person can print as much material as could 100 persons at that time, 1,500,000 or 37 times as many as formerly can now earn their bread from this work.

And yet there are still many, even scholars and members of Parliament, who are so ignorant or so blinded by prejudice as to raise a pathetic lament over the increase and spread of the manufacturing system . . . there are persons who regard it as a great disaster when they hear that 150,000 persons in our spinning works now produce as much yarn as could hardly be spun with the little hand-wheel by 40,000,000.

These people appear to cherish the absurd opinion that if there were no machines, manufacture would really give employment to as many millions as now; nor do they reflect that the whole of Europe would be inadequate for all this work; and that in that case a fifth of the whole population would need to be occupied with cotton-spinning alone! Both experience and reflection teach us just the contrary; and we should certainly maintain that, if we still had to spin with the hand-wheel today, cotton manufacture would employ only a fifth of the present number.

EDWARD BAINES, *History of the Cotton Manufacture in Great Britain*, 1835

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A Sign of PROGRESS

LET IT NOT be said that libertarians – or conservatives, if you prefer the term – are having no effect on the economic dialogue of the moment. For here we have Robert L. Heilbroner, a way-out Keynesian in the past, giving visible if rather grudging ground to Mises, Hayek, and Murray Rothbard in a lively panorama-*cum*-theory called *The Making of Economic Society* (Prentice-Hall, $4.95).

This is a book which employs all of Mr. Heilbroner's skills of popularization, which are many. It takes us at a brisk jog trot through a couple of thousand years of history, showing us how economic theory was created by economic fact, and vice versa. It makes good key distinctions between types of economic systems (some economies are run by tradition, some by command, some by the free play of the market). And whenever an individual is mentioned, such as the wily Dandolo, a thirteenth century Doge of Venice, or the "new men" of the late eighteenth century in England (John Wilkinson, the ironmaster, for example, or Boulton and Watt of steam engine fame), that individual springs immediately to energetic life before the reader's fascinated eyes.

True enough, the book is marred by Mr. Heilbroner's refusal to see that there is a moral issue involved in using political compulsion to force economic decisions. Mr. Heilbroner praises the free market for many things, but he is all too complaisant about modern reversions to the "command" philosophy. He is a bad pragmatist when he deals with the emergent economies of the underdeveloped nations of the world – bad, because he can't see that communism in China, for example, hasn't "worked" at all, or that India's mania for "planning" has not succeeded in keeping the economic indices ahead of the annual increase in population. But Mr. Heilbroner's eclecticism has its good side, for it has led him to take a revisionist position on many key points of economic history. Looked at as a "mind in motion," Mr.

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Heilbroner is moving – though at a rather sluggish pace – toward the libertarian side.

Significant Afterthoughts

The fact that the libertarians have been creeping up on him is revealed in a series of afterthoughts. In his discussion of the emergence of the modern market system from the tradition-bound economy of the Middle Ages, Mr. Heilbroner dutifully trots out the sanctified Weber-Tawney thesis that capitalism got its big boost from the elaboration of the so-called "Protestant ethic." This "ethic" has it that it took John Calvin to establish the idea that thrift was the visible sign of Holy blessing. But then the afterthought smites Mr. Heilbroner: "After all," he says, "there was nothing much that a Calvinist would have been able to teach an Italian Catholic banker about the virtues of a businesslike approach to life."

Mr. Heilbroner hasn't quite digested the Emil Kauder-Murray Rothbard revisionism of Weber-Tawney, a revisionism which insists that the medieval "just price" was the market price under conditions that excluded "necessitous" bargains. But in recognizing that capitalism is the natural economic expression of free-will Christianity, Mr. Heilbroner is on his way to a proper understanding of the heritage of the West. In Catholic and Protestant countries alike, capitalism – or the "market" – made quick strides whenever and wherever the siege conditions of medieval times were lifted. Feudalism, caused by the internal collapse of the Roman Empire, persisted as a reflex of the isolation of Europe by the Moslems; when the Moslems were pushed back, feudalism lost ground. The "Protestant ethic" had something to do with the encouragement of savings, but it is hardly an explanation of the origins of the market system, which sprang to life long before Calvin and Luther appeared on the scene.

Not so long ago Mr. Heilbroner was a vigorous proponent of the idea that the industrial revolution was the cause of much misery in the late eighteenth century and the early years of the nineteenth century. He still believes that capital accumulation for industrial purposes in England was taken out of the hides of the workingmen. But here, again, he has his afterthoughts. He notes that the twelve-hour day in Arkwright's mills was actually a two-hour *improvement* over previous Manchester standards. And, having looked at Hogarth's early and middle eighteenth century etchings, he recognizes that the

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squalor of "Gin Lane" was a dominant feature of life in London long before the industrial revolution reached the banks of the Thames.

In a footnote Mr. Heilbroner refers to Hayek's symposium on *Capitalism and the Historians*, a book which contains some of T. S. Ashton's proofs that squalor in Manchester derived less from capitalist rapacity than from the state-enforced restraints on building activity due to the Napoleonic wars. The fact that Heilbroner has deigned even to read Ashton marks a significant break. He has yet to acknowledge that it takes state intervention to create monopoly conditions, or even to perpetuate squalor. But surely he is on his way to the insight that will lead him eventually to such an admission.

The Monopoly Question

When he comes to deal with the Berle and Means thesis (as of the nineteen thirties) that the big are growing bigger by forcing the small to become smaller, Mr. Heilbroner notes that history has not gone the way that the Berle-Means school once predicted after extrapolating their curves. "Giant business," says Mr. Heilbroner, "is not, after all, the only reality of the market structure. There are, today, some 4.6 million smaller businesses in the nation as well as 4.5 million farms." And he mentions Professor M. A. Adelman's conclusion that, since the completion of the merger wave of the nineteen twenties, the level of concentration "has been a static condition, varying slightly from year to year, but increasing, if at all, at the pace of a glacial drift."

Having accepted a revisionist position on the subject of "inevitable" monopoly, Mr. Heilbroner might have gone on to question the theory of the administered price. But here he balks. One might suggest to him that published – or so-called "administered" – prices are seldom actual prices except during periods in which customers are willing to pay anything that is asked to get a product. There are a hundred ways in which "oligopolistic" companies can – and do – shade their prices to get business away from a competitor. In fact, the hidden competition that goes on in American business whenever a buyers' market prevails would seem to be known to everybody save Senator Kefauver and the antitrust division of the Department of Justice.

Mr. Heilbroner might take note. His sense of fact is apparent in such statements as "Even if all steel prices are kept at 'administered' levels, steel as a whole

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must compete with aluminum . . . aluminum against glass, glass against plastics, plastics against wood, wood against concrete, concrete against steel." So what does the theory of the administered price amount to? It is an economist's paper tiger, and Mr. Heilbroner should take the next "revisionist" step and candidly recognize it as such.

Mr. Heilbroner's progress toward achieving libertarian insights is heartening as far as it goes. He still talks some nonsense about "robber barons," and he still fails to see that the spread of mass purchasing power in America has happened in spite of tax policy rather than because of it. It is idiotic to presume that "middle income" spending power is increased by taxing incomes at rates that run from 20 to 91 per cent and by throwing in an annual increment of inflation on top of that. The "middle income" people pay the bulk of the income taxes, and suffer far more than the rich from the inflation.

It is also silly to suppose that "command" economics can bring a richer life to the "underdeveloped" nations. "Command" hasn't solved Soviet Russia's food problem, and it has compounded the famine in Red China. When Mr. Heilbroner says that "command" has been "the mechanism for a genuinely startling leap from peasanthood into (or toward) industrialization" in both Russia and China, he is, actually, speaking only for armament industries. The broad consumer market has never been developed by "command," and it never will be.

However, when Castro finishes by ruining Cuba, and starvation has had its way in the "command" nations of Africa and the Orient, Mr. Heilbroner will gracefully accept more "revisionism." Libertarians should be prepared to welcome him as a brand capable of plucking itself from the burning.

▶ FUNDAMENTALS OF VOLUNTARY HEALTH CARE edited by George B. de Huszar (Caxton Printers, Ltd., Caldwell, Idaho, 1962) 457 pp., $6.00.

Reviewed by Paul L. Poirot

DURING World War II Dr. Curt P. Richter of Johns Hopkins University had occasion to compare thousands of wild Norway rats with those from a colony that had long been under domestication for laboratory work. Extensive anatomical, physiological, pharmacological, and behavioral tests revealed a marked superiority in the wild strain and led Dr. Richter to speculate about the effect of "the guaranteed life" on human beings. His conclusion, in a fascinating article, "Rats, Man, and the

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Welfare State," in the January 1959 issue of *The American Psychologist*: "It is quite possible that in the Roman welfare state, as in the domesticated state of the Norway rats, the weaker, less energetic individuals survived at an increasing rate, finally leaving a mass of individuals that no longer had the strength or the will to fight for their country."

When American citizens, if only a few as yet, can accept the idea of "Better Red than dead," it is high time to further examine the implications of the expanding "welfare" state in our day. And that is essentially the objective in the symposium selected and edited by George B. de Huszar, *Fundamentals of Voluntary Health Care*. Let's have a careful look at the probable consequences before we further charge the government with cradle-to-grave responsibility for our lives.

The first part of the book examines the moral, biological, psychological, economic, and political implications of compulsory government regulation generally, with essays by two ministers Russell J. Clinchy and Edmund A. Opitz, biochemist Roger J. Williams, sociologist Richard La Piere, and free-market exponents F. A. Harper, Albert J. Nock, Henry Hazlitt, Henry M. Wriston, John Jewkes, and Ludwig von Mises.

The second and more extensive part of the book treats more specifically the issues of health care, the dangers of governmental intervention in that field in the United States and in other countries, the extent and nature of voluntary health insurance systems now functioning, and the importance of a proper physician-patient relationship.

The opening sentence of the editor's preface states, "Basically there are two means to achieve satisfactory health care for the American people: voluntary and governmental." By the time he had read final proof on the volume, he must have known that only one way is satisfactory.

If this survey of the fundamentals of voluntary health care has a major weakness, it would seem to be an over-emphasis on the mechanics and coverage of the various voluntary health insurance programs or plans. Voluntary health care also includes those things one can do for himself or through direct, person-to-person cooperation with a physician. Perhaps there should have been a chapter on care of the patient who is simply sick of insurance and wants to carry his own risks. But even the man who doesn't want to participate in a voluntary health plan will find this book well worth reading. ◈

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▸ JOURNEY THROUGH THE SOVIET UNION by Vermont Royster (Dow Jones & Co., Inc., 89 pp., $1).

Reviewed by August W. Brustat

THE DISTINGUISHED EDITOR of the *Wall Street Journal* toured 8,000 miles through the Soviet Union, from Leningrad to Central Asia, with a dozen American editors in the summer of 1962. His careful observations appeared originally in the *Wall Street Journal* and *The National Observer,* and are here reprinted.

In eleven fact-filled chapters the author points to the long list of Soviet paradoxes—not the least of which involves the economic sphere. While multiplied billions of rubles are spent on rockets and sputniks, meager kopecks are available to the populace for food and clothing. While the Party elite live in lavish monarchical luxury, the common man generally lives in abject poverty. The primitive merges with the modern; Ziv cars travel on narrow dirt or gravel country roads; modern governmental buildings shadow neglected shacks; modernity is fused with antiquity; a small minority of three per cent of the population is communist and holds 200,000,000 Russian citizens in subjection. These are a few of the many incredible paradoxes of Russia in 1962.

In the chapter entitled "The War Against God" the author reports that thousands of churches have been turned into museums, while only a comparative handful of churches are still in use. "The communists have successfully crushed the church; what exists is only a remnant, paying for its existence by total subservience to communism." He reports that the war against religion is not limited to the Russian Orthodox Church, but is leveled against all religions indiscriminately. Priestly functions are strictly limited, and none may speak without permission of the Communist Party. The recent admission of the Russian Orthodox Church into the World Council of Churches at New Delhi in 1961 may consequently well have eventual far-reaching religious repercussions. Schools are totally secularized and atheism is a basic educational subject—at all levels of learning. Lenin is depicted as the "New Christ." Pictorial caricatures in Soviet publications repeatedly ridicule everything spiritual.

This thumbnail sketch of Soviet Russia contains a wealth of valuable information. It is a big dollar's worth. ◈

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Economics—
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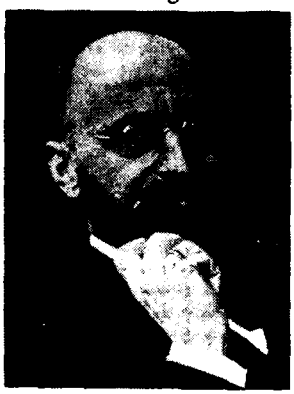
There is only one brand of economics, namely, *neoclassical economics,* which soundly analyzes the working of economic law under freedom of choice and right of private ownership of goods.

The three greatest neoclassical economists are Menger (1840-1921), Bohm-Bawerk (1851-1914) and Mises (1881-).



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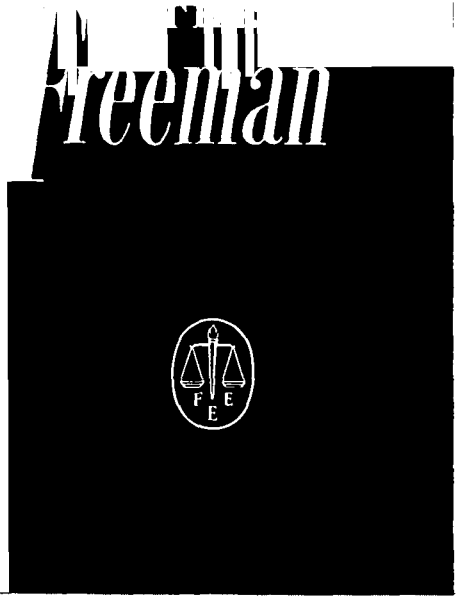

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